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ABSTRACT

The Council on Higher Education (CHE) is an independent statutory body established by South Africa's Higher Education Act of 1997. Its mandate is to advise the Minister of Education on all matters related to higher education so that the system is characterized by equity, quality, responsiveness, and effective and efficient provision and management. In the period from November 2001 to October 2002, the CHE has conducted a range of activities related to the advisory and general higher education development mandate of the CHE and has taken important steps toward building a national quality assurance system for higher education. The report also details the activities of the Higher Education Quality Committee, a permanent committee of the CHE. The report concludes with 23 recommendations designed to improve higher education in South Africa. Many of these involve strengthening the role of the CHE and improving the ways members are selected. (SLD)

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CHE

COUNCIL ON HIGHER EDUCATION

ANNUAL REPORT 2001/2002

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COUNCIL ON HIGHER EDUCATION

ANNUAL REPORT, 2001-2002

FOREWORD

Mr. Saki Macozoma, Chairperson of the Council on Higher Education

High quality higher education is crucial for social equity, economic and social development and the existence of a vibrant democracy and civil society. Without higher education producing knowledgeable, competent and skilled graduates, research and knowledge and undertaking responsive knowledge-based community service, equity, democracy development will all be constrained. The challenges of reconstruction, social transformation and development are tremendous. Higher education must not fail in meeting the new priorities and needs of South Africa

The Council on Higher Education (CHE) is an independent statutory body established by the Higher Education Act of 1997. Its mandate is to advise the Minister of Education on all matters of higher education so that the system becomes characterised by equity, quality, responsiveness to economic and social development needs, and effective and efficient provision and management and also contributes to the public good. The CHE is also responsible, through its Higher Education Quality Committee (HEQC), for quality assurance in higher education.

It has been another busy and eventful year for the CHE. Apart from a range of activities related to the advisory and general higher education development mandate of the CHE, the CHE has taken important further steps in building a national quality assurance system for higher education. All its activities are detailed in this fourth Annual Report, which the CHE is required to submit to parliament and covers the period November 2001 to October 2002. Overall, the CHE is pleased with its performance and looks forward to continuing to effectively discharging the important and extensive responsibilities that it has been allocated.

In June 2002, a new membership was appointed to the CHE by the Minister of Education for a four-year term. I want to extend my appreciation to the previous membership of the CHE and, in particular, the previous

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Chairperson, Prof. Wiseman Nkuhlu, for their tremendous leadership and contribution to the work of the CHE during the past few years. Through their wisdom, time and efforts, the CHE has over a relatively short period become institutionalised in the life and dynamics of higher education and has made tremendous progress in discharging the mandate and responsibilities that have been accorded to it by the Higher Education Act of 1997 and the White Paper on higher education.

The new CHE Council began its term with a workshop at which the challenges for higher education in general and for the CHE in particular were identified, existing committees of the CHE were restructured or reconstituted and activities for the coming years were identified and prioritized. In the short time in office, the new Council has already had to rise to a number of challenges and has advised the Minister on crucial issues ranging from institutional restructuring to the National Qualifications Framework in higher education.

I look forward to working with the members of the CHE and the Secretariat to discharge the CHE's important responsibilities in the coming years and to working with all higher education constituencies and stakeholders to build an equitable, responsive and effective new higher education landscape in South Africa.

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ABBREVIATIONS AND ACRONYMS USED

APPEDT	Alliance of Private Providers of Education and Traning
APAC	Association of Principles of Agricultural Colleges
CHE	Council on Higher Education
CTP	Committee of Technikon Principals
CHESP	Community Higher Education Service Partnership
DoE	Department of Education
DoL	Department of Labour
ECHEA	Eastern Cape Higher Education Association
EPU	Education Policy Unit (University of the Western Cape)
ETQA	Education and Training Quality Assurer
FEST	Foundation for Education, Science and Technology
GEAR	Growth, Equity and Redistribution strategy
HAI	Historically advantaged institutions
HAT	Historically advantaged technikon
HAU	Historically advantaged university
HAU (Afrikaans)	Historically white Afrikaans medium university
HAU (English)	Historically white English medium university
HDI	Historically disadvantaged institutions
HE	Higher education
HEQC	Higher Education Quality Committee
HEMIS	Higher Education Management Information System
INQAAHE	International Network for Quality Assurance Agencies in Higher Education
JET	Joint Education Trust
Minister	Minister of Education
NAAC	National Assessment and Accreditation Council
NACI	National Advisory Council on Innovation
NAP	New Academic Policy document
National Plan	National Plan for Higher Education
NEPAD	New Partnership for Africa's Development
NQF	National Qualifications Framework
NSFAS	National Student Financial Aid Scheme
PHEIs	Private Higher Education Institutions
RPL	Regocnition of Prior Learning
QA	Quality Assurance
QAA	Quality Assurance Agency (UK)
QPU	Quality Promotion Unit of SAUVCA
SAQA	South African Qualifications Authority
SASCO	South African Students Congress
SAUVCA	South African University Vice-Chancellor's Association
SERTEC	Certification Council for Technikon Education
SETAs	Sector Education and Training Authorities
White Paper	Education White Paper 3 of 1997, *A Programme for the Transformation of Higher Education*

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INTRODUCTION

The Higher Education Act, No. 101 of 1997, requires the Council on Higher Education (CHE) to annually produce a report on the state of South African higher education and to report on its own activities.

The first CHE Annual Report (1998/1999) provided an extensive analysis of South African higher education. It reviewed higher education prior to the democratic elections of 1994 and since the promulgation of the White Paper on higher education in 1997, highlighted new trends and developments, examined progress towards the policy goals embodied in the White Paper, identified key challenges and, where appropriate, proposed new directions. It also reported on developments regarding the CHE, established in May 1998.

In developing the second Annual Report (1999/2000) it became clear that there were limited new developments and insufficient new information and data to produce another extensive account of higher education in South Africa. As a result, the second Annual Report concentrated on the activities of the CHE itself.

An annual report with a comprehensive account of the state of higher education as well as a report on the CHE's activities, alternating with an annual report with a focus on the activities of the CHE alone, seems set to become the practice. In this vein the third Annual Report (2000/2001) reported on the state of South African higher education and the CHE. This fourth Annual Report (2001-2002) therefore confines itself to an account of the activities of the Council on Higher Education and its permanent committee, the Higher Education Quality Committee for the period November 2001 to October 2002.

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PART 1

CHAPTER 1

OVERVIEW OF THE CHE

1. INTRODUCTION

The Council on Higher Education (CHE) was established as an independent statutory body in May 1998 in terms of the Higher Edu-cation Act, No 101 of 1997. The Higher Education Act and Education White Paper 3 of 1997: A Programme for the Transformation of Higher Education explicates the mandate and responsibilities of the CHE. The Secretariat of the CHE began to be established after June 1999 when the CHE Chief Executive Officer took office.

The CHE defines its mission as contributing to the development of a higher education system characterised by quality and excellence, equity, responsiveness to economic and social development needs and effective and efficient provision, governance and management. It seeks to make this contribution

- By providing informed, considered, independent and strategic advice on higher education (HE) issues to the Minister of Education;
- Through the quality assurance activities of its sub-committee, the Higher Education Quality Committee (HEQC); and
- Through publications and broader dissemination of information, and conferences and workshops on HE and other focused activities.

2. MEMBERSHIP

The Higher Education Act makes provision for a chairperson, 13 ordinary members, co-opted members (maximum 3) and 6 non-voting members. The Minister of Education appoints the members of the CHE following a public call for nominations from HE stakeholders and the general public. Members are appointed for a four-year period and the chairperson for five years.

In May 2002, the term of office of the members of the CHE appointed in 1998 came to an end. The Chairperson, Prof. Wiseman Nkuhlu, resigned due to his work pressures as the Economics Advisor to President Mbeki

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and his role as a key actor in the New Partnership for Africa's Development (NEPAD). The outgoing members of the CHE comprised of the following:

Chairperson
Prof. W Nkuhlu *

Ordinary members

Prof. HP Africa	Mr. K Diseko	Prof. B Figaji *	Ms. JA Glennie
Ms. N Gordimer	Dr. N Magau *	Mr. V Nhlapo	Prof. N Segal
Prof. RH Stumpf *	Prof. M Ramashala		

Co-opted members
Mrs. M C Keeton

Non-voting members

Dr. RM Adam	Ms. N Badsha*	Mr. SBA Isaacs	Ms. A Bird
Dr. K Mokhele			

Ex-officio
Prof. S. Badat *

(* *Members serving on the Executive Committee of the CHE*)

The Ministry of Education issued a public call for nominations to the CHE in early 2002. In June 2002, the CHE was reconstituted with the following membership.

Chairperson
Mr S Macozoma*

Ordinary members

Dr. HP Africa	Prof. SF Coetzee*	Ms. T January-McLean T*
Prof. B Figaji*	Prof. GJ Gerwel	Ms. JA Glennie
Adv. MC Hoekstra	Mr. J Mamabolo	Mr. V Nhlapo
Mr. E Patel	Dr. AM Perez	Prof. MF Ramashala
Prof. SJ Saunders		

CHE MEMBERS (from left): Mr S. Macozoma, Dr. H.P. Africa and Prof. S.F. Coetzee

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Co-opted members
None

Non-voting members
Dr. RM Adam/Dr. B Tema (Department of Arts, Culture, Science and Technology)
Ms. N Badsha* (Department of Education)
Mr. SBA Isaacs (South African Qualification Authority)
Dr. K Mokhele (National Research Foundation)
Vacant (Representative of the Department of Labour)
Vacant (Representative of the Provincial Heads of the Committee of Education)

Ex-officio
Prof. S Badat *

(* Members serving on the Executive Committee of the CHE)

The term of office of the ordinary CHE members will be until June 2006, and that of the Chairperson until June 2007.

The members of the CHE are appointed in their own right as people with specialist knowledge and expertise on HE matters. In this regard, and despite the members of the CHE being drawn from various constituencies, the CHE functions as an independent expert statutory body rather than a body of delegates or representatives of organisations, institutions or constituencies.

CHE MEMBERS (from left): Ms. T. January-McLean, Prof. B. Figaji and Prof. G.J. Gerwel

CHE MEMBERS (from left): Ms. JA Glennie, Adv. M.C. Hoekstra and Mr. J. Mamabolo

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The new Chairperson, Mr. Saki Macozoma, thanked the previous CHE members, who through their wisdom, time and efforts, had ensured that the CHE had over a relatively short period become institutionalised in the life and dynamics of higher education and had made tremendous progress in discharging the mandate and responsibilities that had been accorded to it by the 1997 Higher Education Act and the White Paper on higher education. He added that an objective assessment of the performance of the CHE would indicate that it had registered truly remarkable achievements, in its own terms and in comparison with other similar bodies. These achievements were in no small measure due to the intellectual efforts, physical energy and time that members had devoted to the CHE in its critical first period and the generous guidance, assistance and support they were always ready to provide to the Secretariat.

Special thanks were accorded to the past Chairperson, Prof. Wiseman Nkuhlu, for his calm, patient, principled and wise leadership, guidance and supervision. Prof. Nkuhlu was acknowledged for creating a facilitating environment for the CHE Secretariat to be pro-active, to take initiative, to get on with the building of an effective and efficient infrastructure and with discharging the mandate of the CHE and the diverse responsibilities accorded to it by legislation and the Minister of Education.

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CHE MEMBERS (from left): , Mr. E. Patel, Dr. A.M. Perez and Prof. M.F. Ramashala

CHE MEMBERS (from left): Prof. S.J. Saunders, Dr. B. Tema and Ms. N. Badsha

3. RESPONSIBILITIES OF THE CHE

The Higher Education Act and the 1997 Education White Paper set out the responsibilities of the CHE. These include:

- Advising the Minister on all HE issues on which the CHE's advice is sought;
- Advising the Minister on its own initiative on HE issues which the CHE regards as important;
- Designing and implementing a system for quality assurance in HE and establishing the HEQC;
- Advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration;
- Advising the Minister in particular on the new funding arrangements for HE and on language policy in HE;
- Developing a means for monitoring and evaluating whether, how, to what extent and with what consequences the vision, policy goals and objectives for HE defined in the White Paper on HE are being realised;
- Promoting the access of students to HE;
- Providing advice to the Minister on the proposed new Education Management Information System for HE;
- Formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the White Paper;
- Formulating advice for the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating South Africa's economy, such as greater HE-industry partnerships;
- Appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HE institutions;
- Establishing healthy interactions with HE stakeholders on the CHE's work;
- Producing an Annual Report on the state of HE for submission to parliament;

CHE MEMBERS (from left): Mr. S.B.A. Isaacs, Dr. K. Mokhele and Prof. S. Badat

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- Convening an annual consultative conference of HE stakeholders;
- Participating in the development of a coherent human resource development framework for South Africa in concert with other organisations.

The numerous and varied responsibilities require the CHE to engage in many different forms, kinds and types of activities. The CHE is required to be both reactive and proactive in the rendering of advice to the Minister. It is also required to provide advice on both a formal and informal basis. On occasions it has needed to provide advice at short notice and with considerable speed, while at other times it has been relatively cushioned from immediate time and other pressures.

In summary, the work of the CHE involves different kinds of activities:

- Advising the Minister at his/her request or proactively on all matters related to higher education;
- Assuming executive responsibility for quality assurance within higher education and training - including programme accreditation, institutional audits, programme evaluation and quality promotion and capacity building;
- Monitoring and evaluating whether and how the vision, policy goals and objectives for higher education are being realised; as well as the extent to which and the consequences of this vision on higher education;
- Contributing to developing higher education - giving leadership around key national and systemic issues, producing publications and holding conferences and research to sensitise government and stakeholders to immediate and long-term challenges of higher education;
- Reporting annually to parliament on higher education; and
- Consulting with stakeholders around higher education.

The effective discharge of these responsibilities requires comprehensive knowledge, understanding and experience of the state and condition of HE in South Africa and a special understanding of the broader polity, economy and society. Especially important is to develop the capacity to rigorously and sensitively monitor and evaluate the progress that is being made around HE policy goals and objectives. It also requires knowledge of developments in HE elsewhere and thus keep abreast of international trends and developments. Finally, it is also important to have an understanding of the public value of HE and its crucial role in economic, social and political transformation and development in South Africa.

4. THE CHARACTER AND ROLE OF THE CHE

The CHE is a product of the intense debates around relations between state and civil society - debates that resulted in a number of independent statutory bodies that are composed in a similar way to the CHE and have mandates

similar to the CHE. There was a historical consensus that there was virtue in having a body, such as the CHE, composed of persons with special knowledge and experience of higher education and higher education related matters that are nominated by a public process, rather than a body of delegates or representatives of stakeholders.

The activities of the past three years have been significant in unfolding, at the level of practice, the institutional character and role - the identity - of the CHE. The CHE believes that it has three core policy roles - policy advice, policy development and policy implementation. However, the three functions will vary depending on the issue involved.

- Policy advice - is the most encompassing and principal role of CHE since it has to advise on policy matters both reactively and proactively;
- Policy development - is limited and depends on issues and conditions - for example, the work on New Academic Policy; and
- Policy implementation - this role pertains exclusively to the quality assurance and promotion (programme accreditation and review, institutional audits and quality promotion) function of the CHE.

The institutional character of the CHE as an independent body is embodied in the following roles:

- Providing the Minister, without fear and with courage, informed, considered and strategic advice (on request and proactively) which it considers is in the national interest;
- Making considered, fair and objective decisions and judgements around quality matters; and
- Providing intellectual leadership around key national and systemic issues. For example, the CHE must certainly take as its point of departure the values, principles and policy goals of the White Paper, and the policy instruments and mechanisms that are advanced for the achievement of policy goals. However, it must also subject, where necessary, these goals and instruments to critical scrutiny and raise their appropriateness in relation to the fiscal environment, the capacities of HE institutions, the available human and financial resources and so forth.

These roles will occasionally bring the CHE into disagreements and even conflict with stakeholders, including the Department of Education. Some stakeholders will have the perception that the CHE is too close to the Ministry of Education. Others will have the perception that the CHE favours public providers over private providers. In a relatively new and evolving sys-

tem, some stakeholders may seek to lay claim to certain policy domains that rightly belong to the CHE. This cannot be avoided, without the independence (and value) of the CHE being compromised. It does demand tremendous wisdom, integrity, honesty and fairness on the part of the CHE.

The CHE has sought to work closely and co-operatively with stakeholders (including the Department of Education), to hear their views on a number of issues and to be responsive to their concerns and interests. Representatives of, and participants from, national stakeholder organisations and individual higher education institutions have contributed tremendously to the work of some committees and activities of the CHE. At the same time, the CHE has tried to accommodate all invitations and requests from stakeholders and individual institutions related to participation in meetings, conferences, workshops, seminars and other activities.

Some of the views of the CHE and its advice to the Minister of Education have found favour among a large number of stakeholders and institutions but have left a few dissatisfied. Other views and advice have corresponded with the views of some stakeholders and institutions but not with those of others. Yet other advice has received endorsement from only a few stakeholders.

Overall, the CHE has not hesitated to provide advice and recommendations to the Minister that have been at odds with the views of individual stakeholders or sectors of higher education but which the CHE believed to be in the best interests of the system at large. This, of course, has not endeared the CHE to stakeholders all of the time. Such a situation, is to be expected and should be seen as an outcome of its legislative mandate. Indeed, it is almost guaranteed by the nature of the CHE.

The understanding that the CHE has publicly promoted through its practice is that it is not a transmission belt for the views of stakeholders. Stakeholders must and do communicate directly with the Minister. The CHE is also not a buffer body, as it has sometimes been described, in the sense of mediating between institutions and government, though if such a role is required nothing in principle precludes this.

Instead, the understanding that the CHE has promoted is that it has been purposively and deliberately established to provide to the Minister, without fear and with courage, informed, considered and independent advice that is in the national interest. That is, while the CHE must and does take the views of stakeholders seriously, it is required to do considerably more than simply collate and aggregate these views in advising the Minister of Education. It is also required to interrogate and mediate these views, and offer its own independent advice to the Minister.

Thus, as an alternative to both the transmission belt and the buffer modes of operation, the CHE has tried to contribute to a central steering model by trying to carve out a space for an independent, proactive and intellectually

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engaged type of intervention. This proactive role in putting issues on the agenda of stakeholders and stimulating debate seems particularly necessary in order to counteract two relatively generalised tendencies in terms of policy making and implementation. First, is the tendency on the part of some actors to interpret and implement policy in highly selective ways, with the effect of almost distorting and undermining the original policy goal. Second, is the equally unsatisfactory tendency to formulate policy without giving sufficient consideration to both the conceptual and practical issues that implementation would raise.

The last four years have alerted the CHE of the need to draw attention to conceptual aspects of policy when they are overshadowed by concern with implementation, and to also critique policy if it is lacking conceptually or technically or when implementation is insufficient, poor or haphazard. The steering model also implies another kind of intellectual engagement - keeping up with the current international debates on HE, bringing to the fore issues deemed relevant to South Africa and stimulating discussion among stakeholders.

The CHE has acknowledged that it does not operate in a vacuum, nor does it have a blank cheque. The CHE's activities and advice to the Minister of Education are and will be shaped by a number of factors. These include:

- The legislative framework for higher education and the values, principles and policy goals and objectives contained in the White Paper;
- The changing requirements of economy and society and different social groups;
- The goals, aims, aspirations and initiatives of national stakeholders and higher education institutions and science and technology institutions;
- The local and international knowledge and information base with respect to higher education issues, questions and practices, and
- The financial and human resources capacities of the CHE.

5. FULFILLING THE MANDATE OF THE CHE

The table below lists the responsibilities of the CHE and its progress and activities to date towards their fulfilment.

Table1: Progress towards fulfilling the mandate of the CHE

Responsibility	Progress/Activities
1. Advising the Minister on all HE issues on which the CHE's advice is sought	▪ Advice on ▫ HE Amendments Bills of 1999, 2000, 2001 and 2002 ▫ 1999 NSFAS Bill ▫ Shape and size of HE ▫ 2002 Regulations for the registration of private providers of HE ▫ New Academic Policy for HE ▫ Private HE ▫ Redress ▫ Proposed new funding framework ▫ Programme profile of institutions ▫ Ministry' proposals on institutional restructuring
2. Advising the Minister on its own initiative on HE issues which the CHE regards as important	▪ Advice on ▫ Private HE ▫ Institutional redress policy, strategy and funding ▫ NQF Study team report ▫ Governance ▫ Conditions and criteria for the use of the designations 'university', 'technikon' etc. and for offering/awarding degrees and postgraduate qualifications
3. Designing and implementing a system for quality assurance in HE and establishing the HEQC	▪ Established an Interim HEQC in June 2000 ▪ Applied to SAQA and received accreditation as an ETQA in 2001 ▪ Produced Founding Document for HEQC ▪ Called for nominations and constituted a HEQC in 2001 ▪ Publicly launched HEQC in May 2001 ▪ Established and convened Interim Joint Committee and manual to pro-cess accreditation of programmes of public providers (with DoE and SAQA) ▪ Took over from SAQA the accreditation of programmes of private providers ▪ Conducted evaluation of QPU and SERTEC and produced publication ▪ Conducted research on QA systems of professional councils and SETAs and produced publication ▪ Took over from SERTEC and delegated to CTP (with HEQC participation) until end of 2002 quality assurance visits to technikons, agricultural colleges and polytechnics in neighbouring countries ▪ Produced new draft manual and piloted the accreditation of programmes of private providers ▪ Convened Joint Implementation Plan Committee for implementation of NQF within HE ▪ Established national forum of quality assurance managers at HE institutions ▪ Commissioned report on quality assurance terminology

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	Responsibility	Progress/Activities
		♭ Organised numerous conferences, seminars and training workshops ♭ Extensive and ongoing consultations with all key stakeholders ♭ Released discussion document on proposed new accreditation framework ♭ Released discussion document on proposed new audit framework ♭ Conducted 1 day visits to public and private institutions
4.	Advising the Minister on the appropriate shape and size of the HE system, including its desired institutional configuration	♭ Established CHE Task Team ♭ Produced extensive Memorandum and met with the Minister (December 1999) ♭ Established extended Task Team and produced Shape and Size report (July 2000) ♭ Extensive engagements with HE institutions and stakeholders around Shape and Size report ♭ Obtained and analysed stakeholder submissions on Shape and Size report in preparation for *National Plan* ♭ Discussions with Minister and DoE around *National Plan* ♭ Commented on National Working Group report on restructuring ♭ Advised on proposed programme mix and niches of institutions ♭ Advised on the Ministry's restructuring proposals
5.	Advising the Minister in particular on the new funding arrangements for HE	♭ Established CHE Financing and Funding Task Team ♭ Advised Minister on weighting of student subsidy and earmarking funds for Black students for academic development ♭ Produced draft document on new funding framework ♭ Obtained and analysed stakeholder submissions ♭ Produced final document as advice to the Minister ♭ Awaiting further communication from Minister about further possible assistance ♭ Established extended Task Team on Institutional Redress policy, strategy and funding ♭ Discussion held on first and second draft documents on Institutional Redress policy and strategy
6.	Advising the Minister in particular on language policy in HE	♭ Established CHE Language Policy Task Team ♭ Established extended Language Policy Task Team to produce report on language policy framework for HE ♭ Discussed and finalised report of extended Language Policy Task Team ♭ Advice and report to Minister on language policy ♭ Preliminary interaction with Minister around advice ♭ Await full discussion with the Minister

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Responsibility	Progress/Activities
7. Developing a means for monitoring and evaluating whether, how, to the extent to which and the consequences the vision, policy goals and objectives for HE defined in the White Paper on HE are being realised	♭ Task Team on Achievement of Policy Objectives established ♭ Activities of the Task Team suspended due to Shape and Size activity ♭ Re-established as Project of Secretariat ♭ Project and funding proposal produced and submitted to donor - initial approval ♭ Meeting held around building a national system of HE monitoring and evaluation ♭ Annual Report's of 1998/1999 and 2000/2001 provided as detailed an analysis as feasible of progress towards policy goals ♭ R 2.4 million funding received from Ford Foundation towards building a monitoring and evaluation system ♭ Project implementation in late 2002
8. Promoting the access of students to HE	♭ The Shape and Size report C motivated increasing the participation rate from about 15% to 20%. C called for increased and widened access - especially for historically disadvantaged C called for increased support for the NSFAS and increasing size of grants ♭ Engagements around RPL and monitoring of developments in this area ♭ CHE decision to commission work on the barriers to equity of access, opportunity and outcomes in HE
9. Providing advice to the Minister on the proposed new Education Management Information System for HE	♭ Recommendations made to DoE following presentation on HEMIS in 1999 ♭ Contact with DoE and SAQA regarding their databases in relation to CHE databases for monitoring and quality assurance ♭ No formal advice to the Minister as yet
10. Formulating advice for the Minister on a new academic policy for HE, including a diploma/degree structure which would advance the policy objectives of the *White Paper*	♭ Academic Policy Task Team with representatives from key constituencies established to undertake work for DoE ♭ Work suspended for decisions related to shape and size ♭ Reactivation of work during late 2000 ♭ Work of CHE convened Joint Implementation Committee and IJC fed into work of the Academic Policy Task Team ♭ Report approved as discussion document by CHE ♭ Report handed over to the DoE in late 2001 for public comment process and finalisation ♭ Awaiting final document from DoE for advice
11. Formulating advice for the Minister on stimulating greater	♭ Established in 2001 as Project of secretariat ♭ Project and funding proposal produced and submitted to donor - approved

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Responsibility	Progress/Activities
institutional responsiveness to societal needs, especially those linked to stimulating South Africa's economy, such as greater HE-industry partnerships	b Meeting with Minister and discussions with other government Ministers and departments and prospective partners b Studies and papers commissioned b National colloquium held on 27-28 June 2002 b Publication to be produced b Advice and recommendations to Minister following national colloquium and discussions with key stakeholders
12. Appointing an independent assessment panel from which the Minister is able to appoint assessors to conduct investigations into particular issues at public HE institutions	b An initial panel established in 1998 b Panel supplemented with new members during 2000 b Panel supplemented with new members during 2001 b Minister has utilised panel members for investigations at a number of institutions
13. Establishing healthy interactions with HE stakeholders on the CHE's work	b Bilateral meetings with CTP and SAUVCA during 1999 b Bilateral meetings with SASCO and CTP during 2000 b Bilateral meetings with all national stakeholders during 2002 b Consultative Conference serves as major forum for interaction b National stakeholders and individual HE institutions contribute to the work of the CHE in various ways b Extensive engagements with national stakeholders and HE institutions around shape and size during 2000 b Extensive contact with DoE and joint activities in a number of areas
14. Producing an Annual Report on the state of HE for submission to parliament	b Produced an Annual Report 1998/1999 - extensive report on the state of HE and the work of the CHE b Produced an Annual Report 1999/2000 - focused largely on the activities of the CHE b Produced an Annual Report 2000/2001- extensive report on the state of HE and the work of the CHE b Need to develop the basis for producing ever-more comprehensive and incisive annual reports on the state of HE b Will be facilitated by: c CHE Triennial Review of HE Project for which donor funding has been obtained c CHE Monitoring the Achievement of Policy Objectives Project c Effective HEMIS system

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Responsibility	Progress/Activities
15. Convening an annual consultative conference of HE stakeholders	b Convened 1st Consultative conference in November 1999, 2nd Consultative conference in November 2000 and 3rd Consultative conference in November 2001
16. Participating in the development of a coherent human resource development framework for South Africa in concert with other organisations	b Contributions through attendance of workshops b Informal contributions through HRD discussions in context of NQF b Key issue for Responsiveness of HE colloquium of 27-28 June 2002
17. Contributing to the development of HE through publications and conferences	b Initiated a range of publications: Policy Reports, Research reports, Occasional Papers, Newsletters and *Kagisano* - a HE Discussion Series to stimulate discussion and debate around important issues related to higher education. b Initiated a *CHE Discussion Forum* - three held: on 'Key Global and International Trends in Higher Education: Challenges for South Africa and Developing Countries' (Prof. Philip Altbach); on 'Globalisation, National Development and Higher Education' (Prof. Manuel Castells), and 'A Decade of Higher education Reform in Argentina' (Dr. Marcela Mollis)

Overall, within the constraints of human and financial resources, the major task of establishing the CHE and HEQC infrastructure and Secretariat, and various pressures and demands on a fledgling organisation, good progress has been registered with respect to the execution of responsibilities during the past three years.

6. INTERACTION WITH THE MINISTER/ MINISTRY OF EDUCATION

The CHE Chair and Chief Executive Officer (CEO) met with the Minister in May 2002, as required. The May 2002 meeting addres-sed the different views that appeared to be held by the Ministry and the CHE on consultation and advice. It was agreed that a joint initiative of the Ministry and the CHE would develop a Protocol that would focus on the nature, objects and scope of consultation and advice, their timing and frequency and any other related issues deemed pertinent. The Protocol would be an important step in the institutionalisation of the consultative and advisory relationship and arrangements between the CHE and the Ministry.

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Requests for advice from the Minister of Education

During the past year the Minister requested the CHE to advise him on the following:

a) The Ministry's Draft Policy on the Measurement of Research Outputs for Universities and Technikons (Requested late 2001).

   The CHE provided advice in March 2002

b) The criteria used by the Ministry to assess the mission and programme profiles submitted by higher education institutions in July 2001 (Requested May 2002).

   The CHE provided its advice in June 2002.

c) The Ministry's proposals for the restructuring of the institutional landscape of the higher education system, as contained in Notices 857 to 869 in the Government Gazette (No. 23550) of 24 June 2002 and elaborated upon in the Ministry's document, Restructuring and Transformation: A New Institutional Landscape for Higher Education, gazetted on Friday 21 June 2002 (Government Gazette No. 23549) (requested early July 2002).

   The CHE's advice on the Ministry's proposed institutional restructuring was delivered in late September 2002.

d) The appropriateness of equalising of the Rand value of the C1 cost unit for universities and technikons in the existing funding formula for higher education from 2003/2004 (Requested late September 2002).

   The CHE's advice is required by mid-November 2002.

e) The role of distance education in the development of the higher education system and specifically:

- The conditions and criteria that should govern the provision of distance education programmes by traditionally contact institutions given the concerns raised in the National Plan;
- The broader role of distance education in higher education in the light of current and future international trends and the changes in information and communication technology so as to ensure that distance education is well placed to contribute to the development and transformation of the higher education system and its role in social and economic development; and

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- The role of a single distance education institution in South Africa, in particular, the role the latter could play in the development of a "national network of centres of innovation in course design and development, as this would enable the development and franchising of well-designed, quality and cost- effective learning resources and courses, building on the expertise and experience of top quality scholars and educators in different parts of the country" (White Paper: 2.61) (Requested late September 2002).

  The Minister requested that the CHE's advice be provided by March 2003.

f) The nomenclature of comprehensive institutions (Requested late September 2002).

   The deadline for the CHE's advice was the end of November 2002.

g) The nomenclature of higher education institutions more generally (Requested late September 2002).

   The CHE is scheduled to advice on this matter in mid-2003.

h) The criteria to be used to assess the ability of a higher education institution to offer degrees and postgraduate qualifications (Requested late September 2002).

   The CHE is scheduled to advice on this matter in mid-2003.

Proactive Advice to the Minister of Education

The CHE has also sought to provide proactive advice to the Minister on a number of issues:

a) The CHE identified the necessity of investigating the issues of the nomenclature of HE institutions and the criteria and mechanisms and procedures to be used to assess the ability of a higher education institution to offer degrees and postgraduate qualifications. However, due to the difficulty of securing appropriate consultants, the investigation only began in August 2002 (see below, under the report on the Shape and Size Standing Committee). The Minister's request confirmed the importance of this investigation. The CHE has since late 2001 been investigating the matter of institutional redress policy and strategy. This advice will be finalised in early 2003.

c) Drawing on its 'Responsiveness' project (see below, under Projects) and the colloquium that it held in late June 2002, the CHE will advise the Minister on the matter of stimulating HE responsiveness to the knowl-

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edge and person-power needs of the private and public sectors and the building of strong relationships between HE and these sectors.

d) Fourth, the CHE advised on the report and proposals of the Minister's National Working Group in March 2002.

e) The CHE advised on the report of the Study Team on the implementation of the NQF in August 20002.

New subjects of advice

In addition, the CHE has identified new issues that should be the subjects of advice to the Minister. These include:

a) Barriers (educational, financial, institutional, etc.) to equity of student access and especially opportunity and outcomes in higher education;

b). The push by some countries to define higher education as simply a service like any other and their demands on South Africa through the World Trade Organisation; and

c) The macro implementation of institutional restructuring and its impact, outcomes and consequences.

These issues will be taken up through the CHE Monitoring and Triennial Review projects (see Chapter 2, under Projects).

The practice of monthly meetings between senior CHE staff and senior officials of the Higher Education Branch of the Ministry of Education have continued and provides an important mechanism for addressing various matters.

CHAPTER 2

CHE STANDING COMMITTEES, TASK TEAMS AND PROJECTS

Since its inception CHE activities have been undertaken through Task Teams and Projects. A CHE workshop of its new members in August 2002, however, decided that three different kinds of structures were necessary for CHE activities - CHE Standing Committees, Task Teams and Projects.

1. STANDING COMMITTEES

Standing Committees are devoted to key HE policy areas and issues that require the ongoing attention of the CHE. The Chair and members of Standing Committees are appointed by the CHE. Provision is made for the participation of non-CHE members with the approval of the Council. While Standing Committees are directed and supervised by CHE members, the CHE Secretariat handles their management and administration.

Three Standing Committees have been established.

Higher Education Legislation

This Standing Committee attends to the preparation, tabling for discussion and eventual adoption, at the full committee meeting of the CHE, of all CHE advice on proposed higher education legislation. Such legislation may take the form of new Acts on or related to higher education, amendments to the existing Higher Education Act and legislation related to higher education and all higher education regulations.

During the past year the CHE had advised on the Higher Education Amendment Bill of 2002 and regulations for the registration of private providers of higher education and training.

The Chair of the Standing Committee is Prof. G.J. Gerwel, with Ms. J.A. Glennie, Adv. M. Hoekstra and Prof. S. Badat as members.

Shape and Size

The Shape and Size Standing Committee deals with the issues of the overall capacity (size in terms of number of institutions, enrolments and partic-

ipation rate) of the higher education system in relation to the need to develop the high level and varied intellectual and conceptual knowledge, abilities and skills to meet the local, regional, national and international requirements of a developing democracy. This standing committee also deals with the development of intellectual and conceptual knowledge and skills as well as ongoing development of professionals at different levels, for different economic and social sectors, in different fields and disciplines and through different types and kinds of higher education institutions and educational and pedagogic modes (shape).

The Standing Committee is headed by Dr. K. Mokhele and comprises of the following members: Ms. T January-McLean, Prof. M. Ramashala, Mr. J. Mamabolo, Prof. S.F. Cloetzee, Mr. S.B.A. Isaacs and Prof. S. Badat.

During the past year the Standing Committee has provided the background work to enable the CHE to advise on:

- The proposals of the National Working Group, established in March 2001 by the Minister of Education to 'investigate and advise him on appropriate arrangements for consolidating the provision of HE on a regional basis through establishing new institutional and organisational forms, including the feasibility of reducing the number of HE institutions';
- The Ministry of Education's criteria for the determination of the programme profiles of public higher education institutions; and
- The Ministry of Education's proposals for the institutional restructuring of higher education.

The advice given to the Minister of Education is confidential, unless the Minister decides otherwise. The CHE has applied its mind to the issues put to it for consideration and has based its advice on the historical development of its own understanding of institutional restructuring and its commitment to ensuring that the higher education system makes a powerful contribution to the achievement of economic and social development, social justice and democracy in South Africa and Southern Africa and Africa.

A key current task of the Standing Committee is to produce a policy report that will assist the CHE to advise the Minister of Education on the conditions and criteria under which (private) higher education institutions may be recognised as:

- Universities or technikons or institutes of technology, etc. and/or
- Undergraduate degree offering and/or awarding institutions, and/or
- Postgraduate degree, diploma or certificate offering and/or awarding institutions.

This in turn will assist the HEQC to formulate policy and practice around the specific accreditation requirements that institutions need to meet in order to

be permitted to provide undergraduate degree programmes or/and post-graduate degree, diploma and certificate programmes (as opposed to only undergraduate certificates and diplomas).

The rationale for the project is that, increasingly, private higher education institutions are seeking to offer undergraduate degree programmes, as well as postgraduate programmes up to the level of the doctoral degree. There are also private higher education providers that are seeking to use the designation 'university'. In this regard, concerns have been expressed around the needs to protect and regulate the use by higher education institutions of the designations 'university', 'technikon', 'institute of technology', etc., and ensure that private providers of higher education and training have the requisite capabilities and capacities to offer undergraduate degree programmes and postgraduate degree, diploma and certificate programmes that 'are not inferior to standards at a comparable public higher education institution' (Higher Education Act, 1997).

The specific aims of the project are to:

a) Identify and analyse the possible substantive criteria and conditions in terms of which (private) higher education and training institutions may be recognised as Universities, Technikons, Institutes of Technology, etc. and to make recommendations in this regard.

b) Identify and analyse the possible processes and procedures in terms of which (private) higher education and training institutions may be recognised as Universities, Technikons, Institutes of Technology, etc. and to make recommendations in this regard.

c) Identify and analyse the possible mechanisms through which (private) higher education and training institutions may be recognised as Universities, Technikons, Institutes of Technology, etc. and to make recommendations in this regard.

d) Identify and analyse the possible substantive criteria and conditions in terms of which (private) higher education and training institutions may be recognised as Undergraduate degree offering and/or awarding institutions or/and Postgraduate degree, diploma or certificate offering and/or awarding institutions and to make recommendations in this regard.

e) Identify and analyse the possible processes and procedures in terms of which (private) higher education and training institutions may be recognised as Undergraduate degree offering and/or awarding institutions or/and Postgraduate degree, diploma or certificate offering and/or awarding institutions and to make recommendations in this regard.

- Identify and analyse the possible mechanisms through which (private) higher education and training institutions may be recognised as Undergraduate degree offering and/or awarding institutions or/and Postgraduate degree, diploma or certificate offering and/or awarding institutions and to make recommendations in this regard.

The investigation will:

- Survey the South African higher education legislation and policy documents with reference to the aims of the project;
- Review the literature on higher education policy and practice related to the usage of the designations 'university' and 'university of technology' or 'institute of technology' in select countries;
- Review the literature on higher education policy and practice related to the offering of undergraduate degree programmes and postgraduate degree, diploma and certificate programmes in select countries;
- Invite submissions from such organisations as the South African University Vice-Chancellor's Association, the Committee of Technikon Principals, the Alliance of Private Providers of Education and Training and Development, higher education institutions, student organisations, etc. around the aims of the project; and
- Interview select officials, if necessary, from organisations such as the Department of Education, the Council on Higher Education, the South African University Vice-Chancellor's Association, the Committee of Technikon Principals, the Alliance of Private Providers of Education and Training and Development, professional councils and SETAs, higher education institutions, student organisations, etc. around the aims of the project.

The recommendations that are advanced around the criteria and conditions that private institutions should satisfy to be permitted recognition as 'universities' and 'technikons' and to be permitted to offer undergraduate degree programmes and postgraduate degree, diploma and certificate programmes must be equitable. That is, public higher education institutions, notwithstanding their status as 'universities' and 'technikons' and as degree offering institutions, must equally meet the criteria and conditions. They should not apply to private institutions alone.

The CHE hopes to advise the Minister in mid-2003.

Funding and Financing

The CHE Funding and Financing Standing Committee deals with all aspects of the funding and financing of higher education. The Higher Education Act and the White Paper allocate specific responsibilities to the CHE in this regard, such as advising on 'the policies, principles and criteria that should govern the allocation of public funds among higher education providers', 'a mechanism for the allocation of public funds', 'student financial aid', 'policy

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regarding public and private financing and provision, the level and distribution of public subsidies to higher education' and 'forms of student financial assistance'.

Prof. S.J. Saunders chairs the Standing Committee and its members are Prof. B. Figaji, Prof. M. Ramashala, Prof. S. Badat and Prof. R.H. Stumpf (invited non-CHE member).

Funding is viewed by the National Plan as a crucial steering mechanism in the transformation of the HE system and in March 2001 the DoE released its proposed new funding framework for discussion. The CHE's advice to the Minister was submitted in October 2001 and made public in early 2002. The CHE response critically analysed whether, the extent to which and how the new funding framework advanced the objectives of the National Plan. Specifically:

- The achievement of increased systemic and institutional efficiencies;
- The achievement of increased institutional diversity;
- The achievement of the desired graduate profiles;
- The sustaining and promotion of research; and
- The achievement of equity and redress.

The Funding and Financing Standing Committee has also been involved in initiating and supervising an investigation into institutional redress policy and strategy as well as the planning, implementation and funding of such a policy and strategy for the purpose of advising the Minister in this regard. The specific aims of the project are to:

a) Conceptualise the meaning that should be attached to 'institutional redress' in the context of creating a new HE landscape;
b) Analyse the place of 'institutional redress' policy in an overall policy of redress and equity;
c) Analyse institutional redress policy and strategy in the context of proposed mergers between HDIs and HDIs and HAIs;
d) Identify and discuss the strategies that could contribute effectively to institutional redress in the context of creating a new HE landscape;
e) Analyse issues related to financing effective institutional redress strategies - the duration of strategies; required budgets, possible sources of finances, etc;
f) Analyse issues related to the planning and implementation of redress strategies and funding - determination of areas for institutional redress; the basis of redress allocations; the required infrastructure; the monitoring of implementation, etc; and
g) Advance specific recommendations on institutional redress policy and strategy and its planning, implementation and funding.

The Standing Committee has considered two draft reports and the investigation is to be completed at the end of 2002, with the provision of advice to

the Minister scheduled for early 2003. The Reference group for the investigation includes Prof. Nkondo, Prof. Mosala and Mr. Herman Rhode.

2. TASK TEAMS

Task Teams are focused on systemic or major HE policy issues on which the Minister has requested the CHE's advice or the CHE wishes to provide advice proactively. They are established according to need. The members of Task Teams, including the Chair, are appointed by the CHE and non-CHE members may participate with the approval of the Council. CHE members direct and supervise Task Teams with the CHE Secretariat responsible for their management and administration.

Governance

As a result of widespread and increasing concern around leadership and management of public higher education institutions, at the beginning of 2001 the CHE established a Task Team on the governance of HEIs. The Task Team had three main objectives:

- To describe and analyse the state of governance at HEIs with special focus on the role of councils, senates, institutional forums and executive management and the relationship between these four structures;
- To monitor the implementation, efficacy and the consequences of co-operative governance at HEIs in South Africa; and
- To make recommendations on how to improve efficiency, effectiveness and accountability in higher education governance.

The investigation was to be conducted within the framework of the principles, values and goals defined for higher education in the government's various policy documents since the mid-late 1990s.

Arising out of his own concerns, at a meeting with the CHE in May 2001, the Minister of Education requested the CHE to advise him on the governance of HEIs by June 2002, giving new urgency to the work of the Task Team.

Prof Martin Hall of the Centre for Higher Education Development at the University of Cape Town was commissioned to conduct research under the supervision of the Task Team. The CHE invited various people from within and outside higher education to also participate in its Task Team. The Task Team, supplemented by non-CHE members with expertise in governance, met as required to discuss and approve the research methodology and the draft reports of Prof Hall and his team.

The outcomes of the work of the Task Team and consultants were two documents: a Research Report, Governance in South African Higher Education, authored by the consultants and published under the auspices of the CHE and a Policy Report, Promoting Good Governance in South African Higher

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Education. Instead of receiving the Policy Report, the Minister of Education requested the CHE to distribute the Policy Report for public comment, analyse the comments and provide him with advice. This process will be finalised by the end of 2002.

The Research Report, Governance in South African Higher Education, is based on substantial empirical research and analysis by the consultants. A representative sample of twelve higher education institutions was carefully selected and agreed to participate in the investigation. Institutions provided key documentation such as the minutes of council meetings that allowed the consultants to analyse the actual practices of governance. In addition, site visits were conducted to interview a cross-section of members of the different governance structures of the institutions. Thus, field work, analysis of primary documents, analysis of legislation and policy and documentary analysis of the secondary literature on governance was combined to produce a research report that situates the governance of South African higher education institutions in the broader contexts of changes in higher education institutions and the socio-cultural and politico-economic transformations dubbed as globalisation.

The Research Report is organised in five chapters. The first chapter outlines the terms of reference of the project, and sets its goals within a review of international trends in higher education. The chapter sets out the context of the changes in governance of higher education institutions that have taken place over the past two decades. The adoption by governments of quasi-market approaches to their higher education sectors, introducing incentive and performance funding, requiring greater degrees of accountability, seeking cost savings from the public sector and encouraging the development of private education provision, has been in many cases, in response to, or have accompanied, significant increases in participation in higher education. At the same time, though, this approach has attracted criticism, with the argument that it is incommensurate with the objectives of teaching, learning and research, and that reality is inconsistent with rational, top-down models of decision-making and implementation. In this context, moving from the uniqueness of its apartheid divisions and through a transformation agenda dominated by social justice, South African higher education is seen as now showing increasing concordance with international trends.

Chapter 2 reviews South African higher education policy and legislation over the last five years. This policy has centred on the concept of co-operative governance and a "state steering" model of state participation, in which institutions are granted appropriate levels of autonomy, and academic freedom is guaranteed. Accountability for governance is shared between lay members of Council, acting as trustees in the public interest, and professional academics, taking responsibility for teaching, learning and research through the Senate. In order to give effect to co-operative governance, South African legislation has added a third agency to this traditional model, the Institutional Forum, a statutory advisory committee of Council.

Chapter 3 moves to governance as it has been experienced on a day-by-day basis in the twelve institutions selected for the study. Each institution has been rated against criteria, resulting in four organisational types: "contested institutions" (self-referential governance and poorly developed systems of delegation); "management-focused institutions" (inwardly-focused systems of governance with well-developed capacity for administration and the delegation of authority); "democratic institutions" (broad governance participation and shallow systems of delegation); and "democratic, well-managed institutions".

Chapter 4 continues the detailed analysis of concrete institutional governance with a study of the three major agencies of governance and their guiding philosophies: the Senate and the concept of academic freedom; the Council and the role of trusteeship; and the Institutional Forum, understood within the concept of co-operative governance.

The chapter argues that interpretations of academic freedom and how it should operate are associated with differing roles that have been taken by Senates. An overall feature is that Senates are not functioning as envisaged in current policy, and most have become marginalized in institutional governance.

Criteria for the performance of the fiduciary roles of Councils are given by the 1997 White Paper. Well-functioning Councils have lay participants who identify strongly with their institution. The size of a Council is important, as large Councils require a considerable amount of effort in maintaining cohesion. Effective Councils have developed systems of delegation, allowing the plenary Council to meet four or five times a year to consider high-level policy and planning and to receive consolidated reports on key aspects of the institution's work and operations. Well-functioning Councils have effective and active Executive Committees and Audit Committees.

Converse attributes are evident in crisis-ridden institutions, where a lack of boundary definition and defined responsibilities result in continual debates and dissension about jurisdiction, with a consequently diminished attention to substantive issues. It was found that a large proportion of institutions are either locked in endemic crisis, or else face the risk of such crises.

The role of the Institutional Forum is closely bound up with the concept of co-operative governance. Those institutions that are in crisis have Institutional Forums that function more like earlier Broad Transformation Forums. In contrast, management-oriented institutions have followed the letter of the policy and legislation and have established Institutional Forums that function as advisory committees to Council, as specified in the White Paper. In these cases, a consequence often seems to be redundancy because of overlaps between Council and Institutional Forum membership.

Despite a generally negative view of the prospects for Institutional Forums, a

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broader interpretation of governance in practice suggests an important and continuing role for them. The combination of a fiduciary Council and an Institutional Forum where policy positions can be developed by mandated representatives offers value in governance through symmetry. If this potential in governance is to be realised there will need to be a strengthening of the relationship between the Institutional Forum and the Council.

Chapter 5 addresses three issues: the appropriate balance between state steering of largely autonomous institutions, and a regime in which the state exercises direct control in the public interest; the ways in which higher education institutions should report to the Department of Education, and a generic model for governance failure.

It is argued that there is every indication that direct state control of higher education is not effective in developing countries, and may be the cause of acute disadvantages. In developing economies such as South Africa's, policy is best understood as "conditional autonomy", put in practice through a web of interrelationships. Among other factors, these include the accountability of public higher education institutions, the status of external Council members and modes of institutional reporting. New proposals from the Department of Education, if adopted, could remove many existing ambiguities and strengthen South Africa's system of conditional autonomy.

Well-governed institutions share a range of characteristics: Councils that are representative of the public interest; Senates and Institutional Forums that well reflect the range of interests within the institution; clear and well-defined systems of delegated authorities and responsibilities, and adequate administrative capacity to ensure that principles can be translated into day-by-day practice. The generic model for governance failure suggests the possibility of early diagnosis of institutions in trouble, allowing for ameliorative measures to be developed.

From a methodological perspective the research has made two fundamental contributions. On the one hand, in order to render the "lived experience" of higher education institutional governance the researchers developed a set of indicators and benchmarks for the governance practices of institutions. These indicators are: the degree of representivity of governance structures; the depth of delegation, and the capacity for implementation that allowed an institution to turn policies into practice. The research then described and analysed the practices and experiences of institutions in these regards. On the other hand, the research report proposes a model of governance failure that suggests the possibility of early diagnosis of institutions in trouble, allowing for the development of ameliorative measures. Consistent with this, the Research Report suggests that well governed institutions will share a range of characteristics: Councils that are representative of the public interest; Senates and Institutional Forums that reflect well the range of interests within the institutions; clear and well defined systems of authorities and responsibilities, allowing the effective implementation of policies,

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and adequate administrative capacity to ensure that principles can be translated into day-by-day practice.

Recommendations

The Policy Report, Promoting Good Governance in South Africa, draws on the results of the research undertaken by the consultants. However, as a Policy Report, it concentrates on advancing numerous recommendations to improve governance at higher education institutions in South Africa. The recommendations are of different kinds and their implementation requires actions from different components of the higher education system.

Recommendations Requiring Amendment of the Higher Education Act

A state steering system of higher education governance such as South Africa's requires that the burden of effective governance is vested in the Councils of individual institutions, acting in the public interest. The Task Team believes that institutional autonomy will be strengthened if the organisational requirements of these Councils are buttressed by more specific regulation of the ways in which Councils are constituted. Given the high incidence of governance failure, the Task Team believes that this should be achieved by means of further amendments to the Higher Education Act of 1997.

For convenience of reporting, recommendations have been grouped.

Group 1: The composition and appointment of members of Council, the minimum Council procedures that are necessary for Councils to be able to fulfil their fiduciary responsibilities, and the standards of formal reporting required of Councils.

C Recommendation 8: Role and Composition of Council

The Council is the highest decision-making body of a public higher education institution and has fiduciary responsibility for the institution. Members of Council act in the best interests of the institution and not as mandated representatives of their constituencies. Councils of both technikons and universities should comprise no more than 24 members, of whom at least 60 per cent should be external members. Institutions should have the latitude to determine the internal members of the Council via the Institutional Statute, provided that they include the Vice-Chancellor, the Chair of the Institutional Forum at least one member of Senate and at least one member elected by the following constituencies: the students, the academic staff, and the support staff. Other members of the Executive and senior management may be staff in attendance at the Council's discretion, without voting rights. The Registrar should serve as the Secretary of Council. Institutions should have the latitude to determine external Council membership via the

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Institutional Statute. In choosing Council's external members institutions should take into account their identification with and capacity to contribute to the institution's mission and the broader national development objectives as well as their perspectives, expertise, personal qualities, and their profile in terms of social equity.

C Recommendation 9: Terms of Office for External Members of Council

The terms of office for external members of Council should be five years, with one fifth of the members retiring each year. External members of Council should serve not more than two terms. For new Councils, all external members should serve an initial three-year term, with one fifth of the members retiring each year thereafter.

C Recommendation 10: Appointment of External Members to Council

Recommendation 10 a:
The Minister of Education has the right to appoint two external members to the Council of every higher education institution from a list of nominees proposed by the institution. Should the Minister fail to express an opinion on the proposal within three months, the institution should proceed with the proposed appointments.

Recommendation 10 b:
Nominations as approved by Council should be submitted to the Minister, together with the institution's statement of governance as published in its annual report. The Minister in turn should confirm the nominations taking into account the potential role that nominees can play in furthering the transformation of higher education as stated in national policy. Should the nominations not been approved reasons for the rejection as well as suggestions as to how to proceed should be provided by the Minister. Should the Minister fail to express an opinion on the proposal within three months, the institution should proceed with the proposed appointments.

C Recommendation 11: Implementing Recommendations re Terms of Office and Appointment of External Members of Council at the Institutional Level

In order to implement recommendations re terms of office and appointment of external members of Council, existing Councils should be required to dissolve and reconstitute themselves within three years of revisions being made to the Higher Education Act.

C Recommendation 12: Meetings of Council

Full meetings of Council should normally be held between four and six times each year. Council must ensure that the agenda for Council

meetings is structured so as to support the priorities of the institution and the fiduciary role of the Council.

C Recommendation 13: Committees of Council

Every Council must have an Executive Committee, an Audit Committee and a Council Nominations Committee, and should thereafter have the authority to establish such committees as it deems appropriate for the effective conduct of its business, as currently allowed in the Higher Education Act.

C Recommendation 14: Executive Committee of Council

The Executive Committee of Council should be authorised to act on behalf of Council within a clear and formal system of delegated authorities and responsibilities. The Executive Committee should have no more than six members, while including the Chair of Council as its Chair, the Deputy Chair of Council, and the Vice-Chancellor, and while maintaining the balance of external/internal membership applicable to Council as a whole.

C Recommendation 15: Audit Committee of Council

The Audit Committee of Council must be required to act independently, and in accordance with generally accepted accounting practices. It should be small, comprising only external members of Council, with the Vice-Chancellor and head of internal audit in attendance. The Chair of Council cannot be chair of the Audit Committee

C Recommendation 16: Schedule of Delegations

Councils should establish a schedule of delegated responsibilities, authorities and accountabilities for each of its committees, for the Chair and Deputy Chair of Council, for the Vice-Chancellor, and for other senior members of the Executive and management as appropriate. This schedule of delegations should be formally adopted as a motion of Council, should be tabled and reviewed annually and, if necessary, revised.

C Recommendation 18: Formal Institutional Reporting

Full, annual institutional reporting that is consistent with South African Generally Accepted Accounting Practice is essential to ensure the full compliance of Councils with their fiduciary responsibilities. The Department of Education should confirm its draft Manual for Annual Reporting of Technikons and Universities as a standard requirement for all public higher education institutions.

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Group 2: Facilitate a better functioning of the Institutional Forum

C Recommendation 19: Scope of the Institutional Forum

Institutional Forums, as statutory advisory committees to Council, should be free to discuss any issue of relevance to their institution or to public higher education in general. They may debate issues either at their own volition or at the request from the Council. The Council of a higher education institution should be obliged to report to the Institutional Forum on the implementation of advice received from the Institutional Forum, as it does with Senate, and should give the reasons for not accepting advice given.

C Recommendation 20: Role and Composition of the Institutional Forum

The Institutional Forum is a statutory advisory committee to the Council. It should engage all stakeholder groups of the institution and, unlike the Council, should debate mandated positions where feasible. Institutions should use the discretion of their Institutional Statute to ensure a balance in the composition of the Institutional Forum between the internal constituencies of Council, Senate, management, academic staff, support staff and students. External stakeholder groups should be engaged through the Institutional Forum co-option them to its task teams as appropriate.

C Recommendation 21: Chair of the Institutional Forum

The Chair of the Institutional Forum should be elected from its membership for a term of office as specified by the Statute. Representatives of Council and the Executive should not be eligible for election as Chair. On election, the Chair of the Institutional Forum should become a member of Council.

Recommendations Requiring a Statement of Policy by the Ministry

In addition to these formal changes, the Task Team believes that effective governance will be further enhanced by additional leadership on the part of the Ministry, by means of statements of policy. In these cases, the burden of action lies with individual institutions, in terms of the institutional autonomy set out in current policy and legislation.

C Recommendation 1: Institutional Statutes

Greater acknowledgement is due by government and institutions of the significance of Institutional Statutes as a governance device, recognising also that the Ministry is accountable for ensuring that Statutes

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comply with the policy and legislative framework. Public higher education institutions should be required to review and revise their Institutional Statutes in terms of the Higher Education Act and its amendments, as well as to publish Statutes consolidating amendments from time to time.

C Recommendation 2: Building Governance Capacity at Institutional Level

Participation in governance at institutional level takes place in a variety of ways, including participation by individuals in their own capacity (e.g. Council), and as mandated representatives of a stakeholder group (e.g. Institutional Forum). Public higher education institutions need to assess the capacity needs of all those participating in governance and to develop approaches for addressing these. In particular, mechanisms should be found for building the capacity of students to play their role in institutional governance.

C Recommendation 3: Review of Role and Composition of Senate

Senate is accountable to Council for the academic and research functions of the public higher education institution. Universities and technikons should be encouraged to review the composition and functioning of their Senates, to ensure that they fulfil this role with a particular focus on maintaining academic standards and the principle of academic freedom in teaching and research, and on playing a forward-looking role in policy formulation, in partnership with Council. This will best be achieved where Senate's membership ensures the meaningful participation of the professors, the academic staff in general, the administrative heads of academic departments, and other staff and the students of the institution as specified in the Higher Education Act; and where attention is given to adopting suitable mechanisms of delegation in respect of day-by-day academic business.

C Recommendation 5: Remuneration of Council Members

Remuneration of Council members should be a matter of consideration for external Council members only and internal remunerated members of Council should not be further compensated in any way for Council service. Remuneration of external Council members should be based on a system that acknowledges the economic value of the time given by lay members of Council to the governing body. Remuneration should constitute a modest sum to cover attendance at all Council meetings, including extraordinary and committee meetings.

- Recommendation 6: Nature of Remuneration of External Members of Council

  Payment of Council members in kind (such as a tuition rebate or "staff fee" for family members of Councillors) should not be allowed as it constitutes a potential conflict of interest, and is an unevenly distributed benefit.

- Recommendation 7: Transparency of Remuneration of External Members of Council

  Remuneration of Councillors should be wholly transparent, and details of payments should form part of the institution's audited financial statements.

- Recommendation 17: Transparency of Council Business

  Council should give attention to ensuring a process for appropriate transparency of Council decisions. The Chair of Council should have the discretionary authority to designate matters confidential to Council members.

Recommendations Requiring Action by the CHE

Finally, the Task Team believes that the CHE can play a direct role in promoting effective governance in higher education:

- Recommendation 4: Developing Trusteeship

  The Council on Higher Education should promote the development of trusteeship in the governance of public higher education institutions by:

1. Initiating a discussion with the Ministry of Education regarding publication of guidelines for the responsibilities of those undertaking fiduciary roles;
2. Initiating a discussion with the Ministry of Education regarding establishing procedures for dealing with failures in trustee responsibility;
3. Initiating consideration of how to develop resources for external members of university and technikon Councils, such that these would contribute to sustainable fiduciary capacity in the public higher education system.

- Recommendation 22: Promoting Good Governance in the Public Higher Education System

  In the light of developments in the higher education sector subsequent to the White Paper and Higher Education Act of 1997, the CHE

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should renew and promote debate on the vision and principles that underlie the current policy and legislative framework for higher education governance in South Africa.

C Recommendation 23: Code of Governance for Public Higher Education Institutions

Consideration should be given to the establishment of a Code of Governance to be adopted and appropriately applied by public higher education institutions. In the first instance, the CHE should promote debate on this issue with both government and educational institutions.

The importance of the issue of governance for the successful transformation of higher education institutions in general and the governance issues raised by the restructuring of higher education institutions in particular, have indicated the need to extend the CHE's work on governance. The CHE has therefore initiated a second phase of work on governance which will begin in October 2002 and include feedback workshops with the twelve institutions that participated in the governance investigation, the development of performance indicators for the CHE Monitoring Project, the development of a code of good governance and research on governance challenges, structures and procedures in merging institutions. Whereas the Ford Foundation and the UK Department for International Development funded the governance investigation, the Ministry of Education will support the new work through a USAID grant.

With the completion of its work, the Governance Task has been disestablished. The areas of further work that have been identified will be undertaken as a CHE project.

Other Task Teams

Two other Task Teams, on Academic Policy and Language Policy, were also disestablished.

The Academic Policy Task Team, which included representatives of the key national stakeholders, completed its work in late 2001. The CHE-approved report on new Academic Policy was handed over to the DoE in late 2001 and subsequently released by the DoE as a public discussion document in January 2002. The CHE now awaits a policy document from the DoE on which it will advise the Minister of Education.

The advice of the CHE Language Policy Task Team was approved by the CHE and submitted to the Minister of Education in mid-2001. The CHE awaits a formal response to its advice.

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3. PROJECTS

Issues that are not related to the immediate policy advice responsibilities of the CHE are, with the approval and guidance of the CHE, directed, supervised and managed by the CHE Secretariat as Projects. These include:

- Research and investigations that give effect to and/or inform the diverse work of the CHE. The results of these may, following discussion by the Council, lead to advice to the Minister;
- The annual Consultative Conference;
- CHE conferences and discussion forums;
- CHE publications and other media; and
- The production of the Annual Report to parliament.

The projects of the CHE seek to give effect to the responsibilities that have been accorded to the CHE. The requirement to contribute to the development of higher education provides considerable leeway for the CHE to identify systemic and national HE issues that deserve critical reflection and to initiate projects in this regard. The privileged vantage point that the CHE enjoys with respect to national HE and HE-related developments also facilitates identifying issues for investigation.

The CHE is convinced that its own ability to provide considered, independent and especially proactive advice is dependent on promoting and helping to sustain high quality critical scholarship on South African HE and HE in general. In the South African context this requires encouraging and helping to develop and nurture a community of HE scholars and policy analysts within and outside HE institutions. Through a number of its projects - monitoring and evaluation, critical triennial review of HE, the role of HE in social transformation to mention just a few - the CHE seeks to involve established and emerging academics and researchers and contribute to building institutional capacity for HE studies.

Building Relationships between Higher Education and the Private and Public Sectors to respond to Knowledge and High-Level Human Resource Needs in the context of Inequality and Unemployment.

The purpose of the 'responsiveness' project was to give effect to the CHE's statutory responsibility 'to formulate advice to the Minister on stimulating greater institutional responsiveness to societal needs, especially those linked to stimulating the South Africa's economy such as greater higher education-industry partnerships'.

The project aimed to understand labour market needs, the fit between graduates' skills, competencies and attributes and employers needs while reviewing the theoretical and methodological approaches that underpin the issue of responsiveness. In addition, the project was intended to bring

together leaders of higher education and leaders from the private and public sector and labour unions to talk about expectations, needs, and, especially, the possibility of relationships that were not only beneficial for higher education and employers, but also appropriate for the economic and social needs of the country.

Following a lengthy period of planning and organising, representatives of higher education institutions, business and government officials came together in a colloquium held on 27-28 of June 2002 at the Sandton Convention Centre. The Ministers of Education, Trade and Industry and Arts, Culture, Science and Technology addressed participants on different aspects of the relationship between higher education and employers of high-level skills.

Since the interest of the CHE was to encourage dialogue, a colloquium was chosen as the appropriate format. The dialogue was supported by five research papers commissioned by the CHE, which discussed different aspects of the relation between education and the labour market, higher education and employers, and higher education and industry.

Discussion at the colloquium centred on the following issues:

- Relations between labour market and higher education

There was a high level of dysfunctionality between the outputs of education and the demands of the labour market, a situation that could be seen from the failure of higher education graduates to obtain employment. This was the direct consequence of the 'poor' and 'irrelevant' education that higher education institutions were providing.

Unemployment among higher education graduates means that institutions of higher learning were not meeting students' expectations. This had the effect of lowering the demand for higher education because potential students did not think that higher education would guarantee their absorption into the labour market. Non-absorption of graduates in the labour market was attributed to the poor quality of the programmes offered at private and public institutions of higher education. The solution to this problem lay in part in curriculum change and in the development of graduates.

- Contextual changes affecting the relationship between higher education and business

It was necessary to distinguish between issues of context within higher education and those of a more general nature. Among the former was the impending restructuring of the HE system, which was pointed out as the 'single most important issue', and the international trends of primacy of the market and the commodification of education. Among the broader contextual issues, participants mentioned the impact of new technologies, the government's macro-economic framework and the challenge of job creation that was

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implied in government's Growth, Equity and Redistribution (GEAR) strategy. Other contextual factors such as the sectoral composition of services - the change from primary to tertiary services; and the concomitant need for more skilled labour; were also referred to. The view was expressed that business itself was not fully cognizant of these changes nor was it able to respond to these adequately. These contextual changes called for a new framework within which the relationship between HE and business had to be constructed.

- Knowledge and the research problem

There is a need to envision teaching and research in new ways in order to produce a new research community and to define the nature of the research problem differently. The country faces new socio-economic challenges and R&D capacity had to be developed in the context of the post-apartheid economy, unemployment, poverty, the rapid changes in the communication technology environment and in global economic relations, etc.

At the same time, it is critical to expand the research community and 'intellectual capital' more generally. For national development it is extremely important to sustain, renew and expand national research capability. There is still a considerable backlog in the production of a new and diverse research community because of the legacy of apartheid on the development of such a community.

It is necessary to develop a 'sustained conversation' between partners in research and knowledge production through the idea of enlightened self-interest, and government incentives.

- Partnerships between HE and business

It is widely accepted that partnerships are both necessary and unavoidable to enhance the relationship between HE and business and that these partnerships required a commitment on all sides. In particular, there are different roles to be played by members of the partnership. Conversations about the relationship can only be constructive if HE and business are not posited as opposites and if both parties could transcend 'the vocabulary of condemnation' to construct a sound relationship. There were converging interests and emphasizing differences was not useful. There is a need for continued dialogue to explore how HE and the economic actors could be brought closer together to develop a mutually reinforcing relationship. This relationship has to be more than a formal one and had to become a substantive one. The partnership has to be voluntary, based on mutual interest and has to evince intellectual integrity.

The relationship between HE and business has to understand the different 'cultures of institutions' and be based on common purposes and nationally agreed objectives, such as:

- To encourage science, maths and technology;
- To improve retention and throughput rates;
- Strategic long-term partnerships for national development;
- Regional economic development;
- A focus on small companies;
- Sharing responsibilities to develop continuous dialogue for specific outcomes to enhance enlightened self-interest; and
- The need for both HE and business to mobilize greater resources for institutional [including curriculum] change.

The relationship could also enhance the importance of interdisciplinary studies and make it possible for natural science students in particular to understand the social context of their knowledge better. It is important to think of inter-disciplinarity especially at the postgraduate studies level.

The partnership between HE and business should not be a process to 'takeover' and silence the voices of 'critical' academics. Similarly, selective partnerships based on historical and racial relationships and social and cultural networks has to be replaced by relationships based on a new democratic framework.

The deliberations at the CHE colloquium indicated that the actors that needed to come together in building strong, healthy and durable relationships between higher education and the public and private sectors operate in particular spaces, often have particular preoccupations and may work according to different rhythms.

In terms of the higher education system, representatives agreed on the following points:

1. That the key functions of higher education institutions today are the production and dissemination of knowledge and the induction of learners into knowledge, skills and competencies that ensures that they are equipped to be economically and socially productive as well as critical and democratic citizens.
2. That unless higher education institutions are organised to undertake these functions effectively and efficiently and with close attention to equity and quality, they are unlikely to be innovative, dynamic and responsive institutions. This will inhibit their ability to make a powerful and critical contribution to the economic, social, cultural and intellectual development of South Africa.
3. That the national challenge of the reconstruction and transformation of the economy and society requires responsive higher education institutions.

It was also widely acknowledged that if there was no fundamental renewal, reconstruction and transformation, the functions that are today played by higher education institutions, and especially public higher education institu-

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tions, would be increasingly undertaken by other knowledge producing institutions as well as private institutions.

The private and public sectors clearly have their own transformation challenges. These include the present pattern of ownership of productive assets, the racial and gender composition of high and middle-level occupations, job creation, reduction of inequalities and poverty, effective and efficient delivery of services, social security and generally creating a better life for all.

Just as with higher education institutions, the legacy of the past continues to manifest itself in the private and public sectors. If there were concerns about the institutional cultures of various higher education institutions, concerns could equally be raised about the institutional cultures of private and public sector organisations.

One of the points that both the research commissioned by the CHE and the discussion during the colloquium made amply clear is that it was unlikely that there would ever be a congruence between the outputs of higher education in terms of graduates and the immediate and specific needs of public and private sector employers. In this regard, if higher education institutions had to become learning organisations, private businesses, parastatals, public organisations and government departments needed to become mentoring organisations or they would not retain staff with great potential or expertise.

The colloquium brought to the fore a series of future tasks and activities.

a) Investigating the extent, nature and forms of partnerships between higher education institutions and the private and public sectors.
b) Developing a principled relationship between higher education and the private and public sectors at the national level. The basis, nature and form of this relationship, the projects that could be undertaken jointly and indicators of its progress, would need to be defined.
c) Regional interactions as well as individual interactions between a higher education institution and relevant private and public sector bodies could be effective in yielding concrete benefits to both sectors.

These suggestions have been incorporated into the advice that the Council on Higher Education has provided to the Minister of Education. The tasks defined, however, may not necessarily be undertaken by the CHE since they may be more appropriately taken up by other bodies or by other bodies and the CHE together.

The full report on the Colloquium proceedings is available on the CHE website.

The responsiveness project was generously supported by DfiD and the Ford Foundation. The Standard Bank made a contribution to the colloquium.

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Building a Monitoring and Evaluation System for South African H E

The CHE is required to monitor and evaluate whether, how, to what extent and with what consequences the vision, policy goals and objectives for HE are being realised.

The White Paper specifically refers to advising the Minister of Education on:

- The performance of the system, having regard to available performance indicators
- The progress being made towards achieving national equity and human resource development goals and measures to overcome impediments to achieving transformation goals (White Paper 3.25, i, j).

In 2001 the CHE submitted a proposal for funding to the Ford Foundation focused on the development of a system to monitor and evaluate the achievement of higher education policy objectives.

The proposal made a clear distinction between monitoring and evaluation, selecting for monitoring the size and social composition of the HE system, quality and responsiveness and efficacy, and leaving for evaluation specific areas thrown up by the results of monitoring.

Since the proposal was developed the Ministry of Education released the National Plan on Higher Education and its proposals for the restructuring of the higher education landscape. In addition, the work of the HEQC has expanded into new areas.

The implementation of HE transformation has been given new impetus with the release of the National Plan and the Ministry's restructuring proposals. From the point of view of the monitoring project this necessitates reconceptualising the scope of the original project to bring it in line with the new priorities and the new areas of work of the HEQC.

The overall aim of the project is to monitor and evaluate how, to what extent and with what consequences national higher education policy goals and objectives have been achieved and restructuring and transformation have been implemented. The project is particularly interested in the analysis of the achievement of policy targets taking into account means, processes and institutional culture in a dynamic socio-economic context.

In view of the recent developments in higher education policy the CHE project will have to address two distinct, though interrelated, areas of higher education reform - higher education restructuring and higher education transformation - as components of the same project. The monitoring of restructuring will focus on the implementation of mergers and other forms of institutional restructuring. The monitoring of transformation will focus on

the achievement of the transformation goals defined in the National Plan for Higher Education.

The CHE views effective monitoring and evaluation as tools to strengthen social justice and democracy, and as crucial for ongoing dialogue and engagement towards social justice and democracy. A key theoretical considerations that informs this project is the recognition that the monitoring and evaluation of social policy (in this case higher education) cannot be done separately from an analysis of the broader social trends and processes which constitute the conditions within which policy goals are pursued and implementation takes place and which inevitably accelerate, halt, or derail them. In other words, a system of monitoring and evaluation is required that includes complex social analysis, ethnographic studies and interdisciplinary approaches and not merely the construction of performance indicators and quantitative data.

Triennial Review of HE

The triennial review project is to enable the CHE to:

- Analyse and crystallise the key trends within South African and international HE;
- Analyse and identify the major challenges that confront South African HE; and
- Proactively identify issues and areas that require further investigation for the purposes of advice to the Minister of Education.

The process of producing a triennial Review of Higher Education is intended to have some important developmental effects:

- Identifying and commissioning scholars and policy analysts to undertake research for the triennial Review will help to develop a community of critical HE analysts; and
- Attaching especially young black and women scholars and postgraduate Masters and Doctoral students to the scholars and policy analysts that are commissioned will ensure that the present rather small community of HE analysts is expanded and also becomes more representative in terms of 'race' and gender.

The Rockerfeller Foundation has provided a grant of R 1.6 million for this project.

HE and Social Transformation

The general aim of the project is to understand the roles played by HE in radical or large-scale social, economic and political change through a number of country case studies, including South Africa. The Centre for Higher Education Research and Information at the British Open University and the

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Association of Commonwealth Universities spearhead the project internationally and have made about funds available for the South African investigation.

A National Working Group that supervises the South African research has met twice to conceptualise the research and consider a first draft report of appointed consultants. However, work has been delayed due to a new consultant having to be appointed mid-way through the project.

Review of the NQF

As a result of widespread and strong concerns among some national HE stakeholders, HE institutions, and administrators and academics around the NQF and its implementation in the HE and training sector, a report was commissioned by the CHE in 2001 to assist it to:

- Advise the Minister of Education on the development of the National Qualifications Framework (NQF) and its implementation in relation to the HE band;
- Make an informed and considered submission to the NQF Study Team that was established by the Ministers of Education and Labour to undertake ' a focused study of the development of the National Qualifications Framework (NQF)';
- Discharge its ETQA responsibilities in an effective and efficient way (through the HEQC); and
- Contribute to constructive debate around the NQF and its implementation in the HE sector.

The report, considered by the CHE just prior to the release of the report of the NQF Study Team on the Implementation of the National Qualifications Framework, was not further developed by the CHE as a Policy Advice Report. Instead it was decided that the report would be drawn upon to inform the CHE's response to the Study Team Report. The CHE responded extensively to the Study Team Report in August 2002.

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CHAPTER 3

OTHER ACTIVITIES OF THE CHE

1. CONFERENCES

3rd Annual Consultative Conference of the CHE

The 3rd Annual Consultative Conference of the CHE was held on 29-30 November 2001. It is required in terms of the White Paper and serves as a mechanism for the exchange of ideas between HE stakeholders and the CHE, and for the identification of key challenges. About 100 people attended the conference.

The Consultative Conference sought to engage critically around the responsiveness of higher education, with special respect to economic growth and development, civil society and democracy and intellectual production and discourse. Plenary sessions and commissions with group discussions were held on 'The New Partnership for Africa's Development and Higher Education', the 'Challenges and Limitations of Entrepreneurial Higher Education', 'A New Contract between Higher Education and Society' and 'Higher Education between Education and Training: Paradoxes and Challenges for the Curriculum'.

Commissions were requested to engage around the following questions:

- Do the existing policy instruments such as national planning, the proposed new funding dispensation and quality assurance help higher education to be/ become more responsive?
- What are the necessary conditions to facilitate higher education being/becoming more responsive?
- What are the roles of different constituencies in ensuring higher education responsiveness?
- How can one monitor and evaluate and review the extent to which higher education institutions are being/becoming responsive?

A critical evaluation of the outcomes and organisation of the first three Consultative Conferences has revealed that although the tabling of the Annual Report was meant to provide a framework for the consultative dimension of the conferences, this has not fully materialised. Further, while the themes of conferences were relevant and papers presented in the commissions were of good quality, there was insufficient time for the commis-

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sions to discuss and engage seriously with the issues. Finally, there have been declining levels of participation by stakeholders.

This points to the need to restructure the 4th Consultative Conference. The CHE has decided that in order to ensure higher attendance the Consultative Conference, it should not be restricted to stakeholder bodies, special guests and the donor community but should also be opened to people who want to attend. At the same time, the structure of the conference should be changed in such a way that the work of the commissions and the actual consultative aspect of the conference take priority over the tabling of the Annual Report and the reporting of the CHE and HEQC.

CHE Discussion Forum

In accordance with its mandate to contribute to the development of HE through conferences, a CHE Discussion Forum was held for higher education leaders, policy-makers and researchers on 23 September 2002 at the University of Pretoria's Groenkloof Campus. The subject of the forum was 'A decade of higher education reform in Argentina'. The forum was addressed by Dr Marcela Mollis, Director of the Research Programme on Comparative Higher Education at the Research Institute of Education at the School of Philosophy and Literature, at the University of Buenos Aires, Argentina. Dr Mollis is a full professor of Comparative Education and History of Education as well as a former Ford Foundation and Japan Foundation fellow in the field of Comparative History in Higher Education. She is author of a number of publications in the field of comparative education both in English and Spanish.

This third CHE Discussion Forum follows previous ones on 'Key Global and International Trends in Higher Education: Challenges for South Africa and Developing Countries' (with Prof. Philip Altbach) and on 'Globalisation, National Development and Higher Education' (with Prof. Manuel Castells).

2. CHE PUBLICATIONS

In accordance with its mandate to contribute to the development of HE through publications, the CHE and HEQC produce a range of publications - Research Reports, Policy Reports, Policy Advice Reports, Policy Documents, Discussion Documents, Occasional Papers, Conference Reports, Newsletters, Kagisano, the CHE's Higher Education Discussion Series and Organisational Brochures. In addition, when necessary, the CHE also issues Press Releases.

The following publications were produced during the past year:

- Research Report
  Governance in South African Higher Education

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- Policy Report
  Promoting Good Governance in South African Higher Education

- Policy Advice Report
  CHE Advice to the Minister of Education: The Proposed New Higher Education Funding Framework of the Ministry of Education and its Implications for the Reconfiguration of Higher Education

- Occasional Papers
  No: 1 - Human Resource Development and Higher Education Planning: Important National and Continental Initiatives

- Discussion Documents
  A New Academic Policy for Higher Education
  Programme Accreditation Framework
  Institutional Audit Framework

- Kagisano
  Reinserting the Public Good into Higher Education Transformation

- Annual Reports
  CHE Annual Report 2000-2001: The State of Higher Education in South Africa

- Organisational Brochures
  Quality Assurance in Higher Education: The Higher Education Quality Committee

- Press Releases
  Meeting between the Council on Higher Education and the Minister of Education on the Ministry's Higher Education Restructuring Proposals;

  The CHE Colloquium: Building Relationships between Higher Education and the Private and Public Sectors and Contributing to their High-Level Personpower and Knowledge Needs; and
  The New Membership of the Council on Higher Education (2002-2006).

A complete list of all CHE publications since its inception is to be found at the back of this report under 'CHE Media'. The CHE website - http://www.che.ac.za - provides electronic versions of all CHE publications.

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3. ADDITIONAL ACTIVITIES

There were also a number of additional activities. These included:

- Bilateral meetings with stakeholders

Meetings were held during the past year with all the key national HE stakeholders - SAUVCA, CTP, APPETD, NUTESA, NTESU, SATSU, SAUSRC, NASDEV.

The CHE also met with the Portfolio Committee on Education (National Assembly) on 17 September 2002 to formally present the CHE Annual Report for 2000-2001 and discuss critical challenges facing South African higher education.

- Participation in the Committee of Heads of Research and Technology (COHORT)

The CHE is an active member of COHORT, a forum that regularly brings together all the heads of science and research councils and, more recently, national higher education organisations (CHE, Higher Education Branch of the DoE, SAUVCA and CTP) and the Ministry of Arts, Culture, Science and Technology to discuss matters of science and technology policy and development and strategies for addressing challenges in these regards. The CHE CEO serves on the Executive Committee of COHORT.

- External conferences, seminars and workshops

The Chief Executive Officer (CEO) of the CHE, the HEQC Executive Director (ED) and other senior staff of the CHE and HEQC addressed and represented the CHE at, numerous regional, national and international seminars, workshops and conferences of stakeholders, HE and HE-related organisations, and HE institutions.

The CHE CEO delivered keynote addresses at the conferences of NASDEV, NUTESA and the Psychology Society of South Africa (PSYSSA).

The CHE CEO, the HEQC ED and the CHE Project manager all participated as guest lecturers in the new Masters programme in Higher Education Policy, Management and Administration offered by the University of Western Cape.

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CHAPTER 4

ORGANISATION AND STRUCTURE OF THE CHE

1. ORGANISATION

The CHE comprises of the Council, an Executive Committee, and a Secretariat headed by the CEO.

During the past year, the Council of the CHE met about every two months and the EXCO met almost monthly. As noted, a new membership was appointed to the CHE in June 2002 and a special Induction Workshop was held in early August for the new Council. CHE Standing Committees, Task Teams and Projects have met as required.

In May 2002, the CHE relocated from the Sol Plaatje Building, which is the home of the Department of Education, and moved to its own offices in Didacta Building, a public building at 211 Skinner Street, Pretoria. The CHE shares the Didacta Building with two other statutory bodies, the Foundation for Education, Science and Technology (FEST) and the National Advisory Council on Innovation (NACI), which provides scope for co-operation in a number of areas.

The move required the CHE to make major investments in information and communication technology (ICT). This has resulted in the CHE possessing its own ICT infrastructure, becoming part of the Tertiary Education Network and changing its domain name.

CHE PERSONNEL (from left): Prof. Saleem Badat, Dr. Lis Lange and Mr. Zizi Mlonyeni

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2. THE HIGHER EDUCATION QUALITY COMMITTEE

The Higher Education Act assigned to the CHE statutory responsibility for quality assurance and quality promotion in HE, to be carried out through a permanent body, the HEQC.

Information on the activities of the HEQC is contained in Part 2 below.

3. SECRETARIAT/PERSONNEL

The CHE has sought to appoint a core of full-time professional staff with knowledge and experience of HE, supported by able administrators and support staff. Where necessary, the CHE requests institutions to second personnel with special expertise and skills to the CHE and also makes use of contract staff and local and international consultants.

The present personnel structure and complement is noted below.

CHE PERSONNEL (from left): Ms. Christa Smit, Ms. Jeanette Maoko and Ms Louise Ismail

CHE PERSONNEL (from left): Dr. Mala Singh, Ms. Sheila Tyeku and Dr. Prem Naidoo

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Table 2: Personnel structure of the CHE and permanent and contract staff

	Post	Incumbent
1.	Chief Executive Officer (CHE)	Prof. Saleem Badat
2.	Projects Manager (CHE)	Dr. Lis Lange (contract)
3.	Research Officer (CHE)	Vacant
4.	Personal Assistant (CHE)	Ms. Christa Smit (contract)
5.	Finance Secretary (CHE)	Ms. Jeanette Maoko
6.	Resource Officer (CHE, HEQC)	Mr. Zizi Mlonyeni
7.	Finance Manager (CHE, HEQC)	Ms. Louise Ismail
8.	Executive Director (HEQC)	Dr. Mala Singh [NRF Secondment]
9.	Director: Quality Promotion and Development (HEQC)	Ms. Sheila Tyeku
10.	Director: Programme Accreditation and Co-ordination(HEQC)	Dr. Prem Naidoo
11.	Director: Institutional Audits and Evaluation (HEQC)	Dr. John Carneson
12.	Projects Manager (HEQC)	Mr. Tshepo Magabane (contract)
13.	Manager: Programme Accreditation and Co-ordination (HEQC)	Mr. Theo Bhengu
14.	Manager: Programme Accreditation and Co-ordination (HEQC)	Ms. Mary Mwaka

CHE PERSONNEL (from left): Dr. John Carneson, Mr. Tshepo Magabane and Mr. Theo Bhengu

CHE PERSONNEL (from left): Ms. Mary Mwaka, Dr. Leonard Martin and Mr. Kenny Shalang

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	Post	Incumbent
	Approved Posts	
15.	Manager: Institutional Audits and Evaluation (HEQC)	Dr. Leonard Martin (contract)
16.	Manager: Quality Promotion and Development (HEQC)	Ms. Barbara Morrow (contract)
17.	Project Administrator: Programme Accreditation and Co-ordination (HEQC)	Mr. Kenny Shalang
18.	Project Administrator: Programme Accreditation and Co-ordination (HEQC)	Mr. Derrick Zitha
19.	Project Administrator: Institutional Audits and Evaluation (HEQC)	Ms. Innocentia Mabuela
20.	Project Administrator: Quality Promotion and Development (HEQC)	Ms. Nikki Groenewald
21.	Personal Assistant (HEQC)	Ms. Pam Du Toit [NRF Secondment]
22.	Secretary Programme Accreditation and Co-ordination (HEQC)	Ms. Jenny Maloi
23.	Secretary Institutional Audits and Evaluation (HEQC)	Ms. Nokuthula Twala
24.	Secretary Quality Promotion and Development (HEQC)	Ms. Melita Tshule
	Temporary Posts	
25.	Office Administrator and Special Projects Officer (CHE/HEQC)	Ms. Lehanda Rheeder (contract)
26.	Office Assistant (CHE/HEQC)	Ms. Maria Mmaoko (contract)
27.	Researcher (CHE)	Mr. Thierry Luescher
28.	Project Manager (HEQC)	Dr. Herman du Toit
29.	Project Manager (HEQC)	Ms. Kathy Luckett
30.	Administrative Assistant (HEQC)	Mr. Moloko Mothemela
31.	Administrative Assistant (HEQC)	Mr. Dominicus Yotwana

CHE PERSONNEL (from left): Mr. Derrick Zitha, Ms. Innocentia Mabuela and Ms. Nikki Groenewald

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Extensive use continued to be made of consultants, especially on projects, and of short-term contract staff because of inadequate state funding and reliance on donor funding.

The success of the CHE depends on high quality, effective and efficient staff with the necessary knowledge, expertise, skills and competencies. Pertinent issues are the following:
First, it is clear that the CHE will not often find staff at the senior and middle-levels that can immediately discharge the responsibilities associated with their posts. This means that throughout the organisation, and especially at the senior and middle-levels, the CHE will have to function as not just a learning organisation but also a strong mentoring organisation - internally and through various forms of staff development through other avenues.

Second, while the overall equity profile of the CHE is generally acceptable (see Table 3 below), especially in terms of gender, a challenge is the 'race' profile at the executive and senior staff level. Mentoring and effective succession planning will be required to address this challenge.

Table 3: Equity profile of CHE Staff

Rank/'Race'	African		Coloured		Indian		White		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive					1	1			1	1
Senior		1			1		1	1	2	2
Middle-Level	5	2	1	1				2	6	5
Junior		5						2		7
Total (Gender)	**5**	**8**	**1**	**1**	**2**	**1**	**1**	**5**	**9**	**15**
Total ('Race')	**13**		**2**		**3**		**6**		**24**	

Third, as a relatively small organisation the retention of good staff, especially those at senior and middle-levels of the HEQC, is an ongoing challenge. Other quality assurance bodies have the resources to offer considerably better salary packages than the CHE.

CHE PERSONNEL (from left): Ms. Pam Du Toit, Ms. Nokuthula Twala and Ms. Melita Tshule

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Finally, the CHE is highly sensitive to the resource constraints of higher education and the need to avoid creating the CHE as a financially unsustainable body. However, the 24-person personnel structure that is currently provided for is proving inadequate in relation to responsibilities. There is much stress and strain especially on executive and senior staff in both the advisory and quality assurance operational areas of the CHE.

It will be necessary to request support from the DoE for at least one additional staff member on the advisory side, one office administrator and a middle-level information/data person that serve the CHE and HEQC and more staff at different levels on the quality assurance side. This does not include the extra staff that will be required if standard setting becomes a CHE responsibility, as proposed by the Study Team on the NQF.

Adequate financial provision has to be made for the reasonable staffing of the CHE or the demands made on the CHE will need to become congruent with the finances allocated to it.

4. FINANCES

The Secretariat has and will continue to spend much energy and effort in mobilizing donor funding for research and development activities. During the past year, new funds were secured from the Ford Foundation, the Department for International Development (DFID) and the Dutch government. Where possible, the DoE has provided great assistance in supporting CHE applications for donor funding.

However, of the almost R 24 million budget for 2002-2003, some R14 million is derived from donors. These donors have made it clear that while they are committed to assisting around certain research and initial development activities, they are not prepared to carry costs related to the long-term system functions, especially around quality assurance.

CHE PERSONNEL (from left): Ms. Lehanda Rheeder, Ms. Maria Mmaoko and Mr. Thierry Luescher

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Table 4: CHE income and expenditure by sources and functions, 2002-2003

Source	CHE	HEQC	Total
DoE	R 3 553 094	R 1 246 906	R 4 800 000
DoE top-slice		R 4 008 000	R 4 008 000
Govt. surplus		R 1 200 000	R 1 200 000
Total DoE	**R 3 553 094**	**R 6 454 906**	**R 10 008 000**
Private providers income		R 950 000	R 950 000
Donor	**R 4 198 931**	**R 8 830 000**	**R 13 978 931**
Total	**R 7 752 025**	**R 15 284 906**	**R 23 986 931**
DoE contribution (%)	**45.83**	**42.23**	**41.72**
Donor contribution (%)	**54.17**	**57.77**	**58.28**

Government funding that is adequate for the discharge of all the responsibilities that have been allocated to the CHE, and particularly the quality assurance responsibilities, will have to be secured. The commitment of the DoE to top-slicing the higher education budget for quality assurance activities is an important first step. The principle should be that government meets all core personnel costs of the CHE/HEQC. The overall targets should be that in 2006/2007, government meets 80% of the CHE portion of the budget and 90% of the HEQC portion of the budget. Unless there is a move in this direction, sustainability will be a problem.

CHE PERSONNEL (from left): Dr Herman du Toit, Mr. Moloko Mothemela and Mr. Dominicus Yotwana

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PART 2

THE QUALITY ASSURANCE ACTIVITIES OF THE CHE: THE HIGHER EDUCATION QUALITY COMMITTEE

1. INTRODUCTION

Quality assurance is a statutory responsibility of the CHE, carried out through its permanent sub-committee, the HEQC. According to the Higher Education Act of 1997 the functions of the HEQC are to:

- Promote quality in higher education;
- Audit the quality assurance mechanisms of higher education institutions; and
- Accredit programmes of higher education.

The HEQC operates within the framework of the NQF and is accredited by SAQA as the band ETQA for higher education.

HEQC MEMBERS (from left): Prof H P Africa, Ms J Glennie and Prof D A Maughan Brown

2. HEQC BOARD AND MEMBERSHIP

The HEQC has its own Board with two CHE members represented on it (the chairperson of the HEQC and one other). HEQC members are chosen by the CHE on the basis of nominations from interested parties in higher education. All HEQC members are appointed in their own right for a three to four year period, although they bring expertise and expertise from different stakeholder domains. The current membership comprises:

Chairperson	
Prof H P Africa	Acting Vice Chancellor, University of Zululand CHE member.
Voting Members	
Ms J Glennie	Director, South African Institute for Distance Education, CHE member
Prof D A Maughan Brown	Senior Deputy Vice Chancellor, University of Natal (resigned 30 September 2002)
Prof B Khotseng	Vice Rector, University of the Orange Free State
Prof N Kok	Senior Vice Rector (Academic) Cape Technikon
Ms K Sattar	Head, Quality Assurance, Durban Institute of Technology
Ms M Motshekga-Sebolai	Manager: Corporate Affairs, Educor

HEQC MEMBERS (from left): Prof B Khotseng, Ms K Sattar and Ms M Motshekga-Sebolai

HEQC MEMBERS (from left): Mr I Sehoole, Ms L Gordon-Davis and Dr P Eagles

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Mr I Sehoole	Executive President, SA Institute of Chartered Accountants
Ms L Gordon-Davis	Executive Officer, South African Tourism Institute
Dr P Eagles	Chairperson, Forum of Statutory Health Councils
Mr N Bicket	Director, Human Resources, Old Mutual
Dr J Reddy	Independent Consultant
Mr V Nkabinde	Executive Director, South African Graduates Development Association

Non-voting members

Ms S Mokhobo-Nomvete	Executive Manager, Learnerships, Skills Programmes and ETQAs, Department of Labour
Dr M Qhobela	Chief Director, Higher Education Branch, Department of Education
Dr P Lolwana	Executive Officer, UMALUSI
Prof S Badat	Chief Executive Officer, Council on Higher Education,
Dr M Singh	Executive Director, Higher Education Quality Committee

3. ORGANISATION

The full HEQC meets every two months and the HEQC Executive Committee (EXCO) meets once a month. The work of the HEQC is conducted through the following sub-committees:

- The EXCO
- The Policy Development and Review Committee
- The Accreditation Committee (Private Providers)
- The Interim Joint Committee (Public Providers)

Regular reports on the work of the HEQC are tabled at the bi-monthly full meeting of the CHE.

HEQC MEMBERS (from left): Mr N Bicket, Dr J Reddy, Mr V Nkabinde and Dr M Qhobela

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During the past year, the HEQC Board met five times and the EXCO nine times. An expanded EXCO functions as a Policy Development and Review Committee. This committee reviewed the draft Audit and Accreditation Framework documents before they were taken to the full Board. All Board members have participated in one-day visits to public and private providers. Wherever possible, all such visits have been chaired by a Board member. Board members have also taken up opportunities to participate in the meetings of the Interim Joint Committee (IJC) and Accreditation Committee.

The work of the HEQC is divided among three directorates and the Office of the Executive Director. The three Directorates are:

- Accreditation and Co-ordination;
- Auditing and Evaluation and
- Quality Promotion and Capacity Development.

The HEQC comprises of 17 full-time staff that are clustered into the office of the Executive Director (3), the Accreditation and Co-ordination Directorate (6), the Audit and Evaluation Directorate (4) and the Quality Promotion and Capacity Development Directorate (4). The HEQC also uses a number of contract staff and consultants as well as the services of quality assurance experts at higher education and other institutions and organisations. It draws on the general infrastructure of the CHE for its finance, personnel and media related requirements.

4. EXECUTIVE DIRECTOR'S OFFICE

The Executive Director provides:

- Oversight for policy and systems development and ongoing activities in all three directorates of the HEQC;
- Liaison with the CHE's projects and activities;
- Liaison with international quality assurance organisations;
- Liaison with other national initiatives in higher education in general and quality assurance in particular;and
- The management of special projects.

The past year has been highly demanding, being marked by an intensification of planning and development activities relating to the implementation of the HEQC's proposed quality assurance system. Some of the key activities for which the office of the Executive Director had to provide oversight were the following:

- Accreditation
  - The accreditation of 231 programmes from universities and technikons on the basis of the processing of 503 programmes; and
  - The accreditation of 116 programmes from private providers on the basis of the processing of 282 programmes.

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- Re-Accreditation

C The evaluation of 62 providers and 251 programmes for the purpose of re-accreditation. Site visits were conducted to 25 providers with a total of 64 programmes. 49 private providers with 57 programmes were re-accredited.

- Visits to Institutions

C One day visits to eight universities and four technikons. The visits were to meet with a range of institutional constituencies and discuss quality assurance related matters. Visits to remaining universities and technikons will be undertaken in 2003.

C One day visits to 9 private providers to discuss quality assurance related matters. More such visits are scheduled for 2003 with the intention of covering 25% of all private providers.

- New Policy and Guidelines Documents

C The production of draft Audit and Accreditation Framework documents. The documents were circulated for public comment and finalised for publication, taking into account some of the critical concerns raised by respondents.

C The development of draft guidelines for good practice in effective Teaching and Learning. The guidelines are being used to inform the development of criteria by the Audit and Accreditation directorates.

- Implementation Plan

C The development of an implementation roll out plan to ensure that the first round of audits and accreditation activities of the new quality assurance system due to commence in 2004 is well grounded and prepared in relation to clear criteria and guidelines, user friendly manuals, trained members of audit and accreditation panels, and appropriate capacity development and preparedness at provider level.

- Convening of HEQC Forum

C The holding of three HEQC Forum meetings for quality assurance managers and co-ordinators from universities and technikons and of two meetings with quality assurance managers from private providers. The meetings were used to convey information on HEQC projects and activities and discuss the HEQC's emerging systems and frameworks for audit and accreditation.

- Meetings with other ETQAs

C Several meetings with other ETQAs to plan joint accreditation activities through the development of MOUs.

- International Liaison

C Co-operation with QA agencies in a range of countries in order to learn from good practice in other systems and participation in and

contribution to debates about quality in relation to trans-border higher education and accreditation.

- Communication with stakeholders

C The HEQC had bilateral meetings with all the key national stakeholders and ongoing communication with particular constituencies. A publicity brochure was published to introduce the HEQC to every academic and all higher education organisations.

- Appointment of Personnel

C The appointment of a full complement of staff to undertake the HEQC's work in the three directorates. The HEQC has 17 full time staff members and a number of contract staff.

5. ACCREDITATION AND CO-ORDINATION DIRECTORATE

The Accreditation and Co-ordination directorate has three core areas of work:

- Accreditation and evaluation;
- Co-ordination of quality assurance with other Education and Training Quality Assurance (ETQA) bodies in HE; and
- Oversight of certification.

Accreditation and Evaluation

This area of work covers:

- The accreditation of public providers to offer stipulated learning programmes leading to NQF-registered qualifications;
- The accreditation of private providers to offer stipulated learning programmes leading to NQF-registered qualifications; and
- The development and implementation of an accreditation and evaluation framework for learning programmes leading to NQF-registered qualifications, which are not covered by professional councils and Sector Education and Training Authorities (SETA) ETQAs.

New Accreditation System

In line with the policy intentions of the White Paper, the HEQC plans to transform the current separate accreditation systems (for universities, technikon and private providers) into a new single and co-ordinated system.

The new system has been developed by a working group of experts and HEQC staff, who in turn received advice from a reference group consisting of representatives from relevant stakeholder organisations and international experts. There has been extensive consultation with all higher education institutions and other stakeholders. The new system will be ready for implementation in

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2004. Preparation of new accreditation criteria, guidelines, and manuals are underway and once developed will be circulated for comment to all stakeholders.

Routine Accreditation

During the period August 2001 to September 2002, the HEQC processed 785 applications from public and private providers to offer new programmes and qualifications. The applications were processed in a combination of activities that included expert comment on applications, committee screening for approval, conditional approval or rejection, and occasional site visits. The applications were processed by the Interim Joint Committee (IJC) (universities and technikons), and the Accreditation Committee , private providers). This is an interim arrangement until a new accreditation system is developed and implemented in 2004. This is a large area of responsibility of this directorate as providers demonstrate their responsiveness by developing hundreds of new education and training programmes and qualifications.

Private Providers

Between August 2002 and September 2002, 282 programmes were submitted for accreditation by 128 private providers. Of these programmes 41% were accredited and 59% not accredited as they did not satisfy the requirements for accreditation. In addition, some programmes had to be returned to the providers due to incomplete information. The status of accreditation for private providers for this period is depicted in Table 5 below.

Table 5: Status of accreditation for private providers: July 2001- September 2002

Accreditation Committee Meeting	No. of Providers	No. of Programmes Submitted	No. of Programmes Accredited	No. of Programmes Not Accredited
July 2001	18	33	17	16
September 2001	19	30	13	17
November 2001	31	78	28	50
December 2001	20	42	14	28
March 2002	14	42	29	13
June 2002	26	57	15	42
Total	**128**	**282**	**116**	**166**

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Private providers that were given conditional accreditation by SAQA before HEQC began its operations have undergone a process of re-accreditation, using instruments and criteria drawn up by the HEQC. The focus was on all aspects related to institutional quality assurance mechanisms and programme quality, and was not restricted to issues found deficient during the first evaluation. This approach was necessitated mainly by gaps in information in certain cases, due to complications arising in the transition of accreditation activities from SAQA to the HEQC. It also provided the HEQC with an opportunity to conduct a thorough evaluation of such providers within its own policy framework and procedural requirements.

The modus operandi for re-accreditation was that of document-supported applications by providers within HEQC policies and procedures, complemented by site visits, where applicable. Phase 1 entailed a check by the HEQC Secretariat for completeness of applications, followed by an evaluation of applications (performance review questionnaire, institutional application form and programme application form) by external institutional and programme evaluators. Phase 2 entailed a site evaluation by institutional and programme evaluators. Private Higher Education Institutions (PHEIs) were required to submit two types of documentation pertaining to institutional and programme detail, both of which were considered in determining the outcome of the re-accreditation.

Of the 89 private providers that needed to be re-accredited, 63 were multi-purpose providers that, according to SAQA regulations, had to be quality assured by HEQC. One of the 63 institutions did not submit its programmes, leaving a total of 62 institutions and 158 programmes for evaluation. One hundred and fifty one (151) programmes were evaluated during this cycle with the remaining 7 to be evaluated during the next cycle in October 2002. The rest of the single purpose providers (26) were referred to the relevant SETAs for the evaluation of their programmes. This data is depicted in Tables 6 and 7 below.

Table 6: Number of multi-purpose and single purpose institutions and programmes that required re-accreditation

Unit	Multi-purpose	Single purpose	Total
Institutions	63	26	89
Programmes	258	90	348

Table 7: Number of programmes and institutions that were evaluated by the HEQC re-accreditation process

Unit	Number requiring re-accreditation	Number evaluated
Institutions	63	62
Programmes	258	251

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All the programmes submitted by the 62 multi-purpose providers underwent a document-based evaluation. Twenty five (25) institutions also underwent a site-based evaluation (Table 8). Site evaluation visits were conducted where PHEIs:

- Offered 10 or more programmes that had to be re-evaluated;
- Offered any degree programmes that had to be re-evaluated; and/or
- Failed the document-based evaluation component of the re-accreditation process.

Table 8: Number of institutions and programmes that underwent document based evaluation and site based evaluation

Unit	Document based evaluation	Site based evaluation
Institutions	62	25
Programmes	251	64

Of the 251 programmes and 62 institutions that were evaluated, 134 programmes and 49 institutions qualified for consideration at the Accreditation Committee meeting. The rest of the programmes had to be referred back to the providers, due to inadequate information. If the requested information is provided by providers, the outstanding programmes will be tabled at an Accreditation Committee meeting of November 2002.

Of the 134 programmes considered, 57 (43%) were accredited, while 57 % were not accredited. The reasons for non-accreditation were:

- Programmes did not meet the accreditation requirements of the HEQC;
- Programmes did not fall in the HE band;
- Programmes were new programmes that were not due for re-accreditation.

The providers ranged from small providers offering two qualifications with 20 learners, operating single offices within homes, to large providers offering 20 qualifications to 15 000 students at multiple sites scattered in cities and rural towns. Approximately 85% of the programmes were certificates and diplomas at NQF level 5. All the programmes submitted were vocational in nature with 35% in Commerce and Management Science, 15% in Information Technology, 14% in Somatology, Beauty and Sport, 10% in Theology, 4% in Performing Arts, 4% in Hospitality, 2% in Communication and Journalism, 2% in Teacher Education; 2% in Design, (including interior design and clothing).

Most of the private providers completed the applications for re-accreditation with reasonable care although some seemed to take the process very

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lightly. Compared to earlier applications, the quality of submissions improved. However in most cases, the site based evaluations revealed a situation different from the one portrayed by the paper applications. The evaluation of the applications and site visits revealed that there were large variations in the quality of providers. They ranged from institutions with exceptional quality and innovativeness to those of incredibly poor quality. On the whole, there were few institutions that could be regarded as higher education institutions offering good quality higher education programmes.

In the past, the Accreditation and Coordination Directorate used a limited number of academics from public higher education institutions as evaluators for private higher education applications. In order to increase the pool of competent evaluators for evaluating accreditation applications from private providers, each private institution was requested to submit the names of two permanent academic staff members to be trained as evaluators. It was hoped that such training would assist in building institutional quality assurance capacity as well.

The nominations were put through a screening process which was then followed by a series of evaluators' workshops held in Durban (7- 8 May 2002) attended by 24 delegates, Johannesburg (14-15 May 2002) attended by 36 delegates and Cape Town (16-17 May 2002) attended by 6 delegates (the Western Cape has fewer private higher education institutions than KwaZulu-Natal and Gauteng). A draft-training manual for programme evaluation has been developed. The directorate has used this wider pool of evaluators for the re-accreditation exercise.

Public providers

The HEQC received 503 programmes from universities and technikons for consideration at its four Interim Joint Committee meetings between 29 November 2001 and 11 September 2002. The relevant data is provided in table below.

Table 9: Accreditation of programmes of public providers, Nov 2001 - Sept 2002

Type of Institution	No. of Applications	Applications not tabled	Applications tabled	Programmes not accredited	Programmes accredited
University	418	75	343	183	160
Technikon	85*	0	85	14	71
All	503	75	428	197	231

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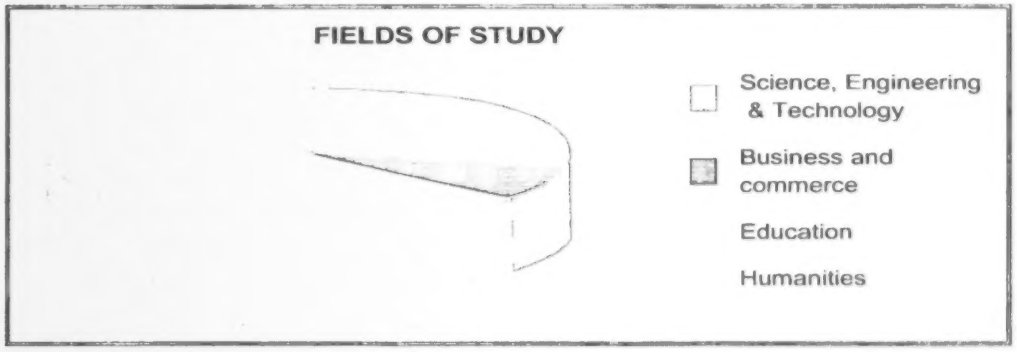
When the data from the accreditation of public provider programmes is analysed further, the following picture is revealed.

If the 160 programmes of universities that were accredited during this period are considered in terms of fields of study, 45 were in Science, Engineering and Technology, 12 in Business and Commerce, 87 in Education and 16 in Humanities. This data is depicted in Figure 1.

Figure 1: Accredited programmes of universities by field of study



When the 160 accredited university programmes are considered by levels of study and by historical type of institution, the situation is as follows:

Table 10: Accredited university programmes by levels of study and by historical type of Institution

Level of programme	HDI	HAI	Total
Undergraduate certificates (Education)	2	3	5
Advanced certificates (Education)	14	3	17
Diplomas (Education)	13	23	36
Advanced Diplomas	5	5	10
Bachelor's degrees	10	16	26
Postgraduate diploma	9	12	21
Honours degree	6	10	16
Masters degree	10	15	25
Doctoral degree	2	2	4
Total	**71**	**89**	**160**

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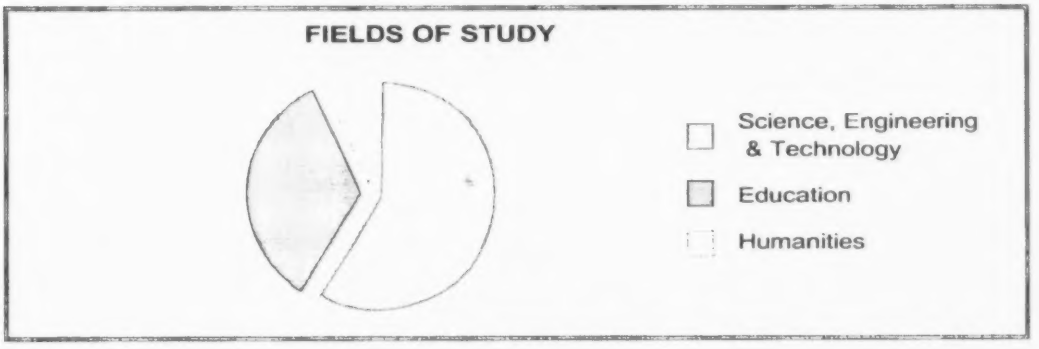
Turning to the technikon sector, of the 71 programmes accredited, 42 programmes were in Science, Engineering and Technology, 24 in Education and 5 in Humanities. This data is depicted in Figure 2.

Figure 2: Accredited programmes of technikons by field of study



Technikons also submitted requests to offer 45 programmes (Form 2 process) where the national curricula (so-called Form B process) had already been accredited. Of the 45 programmes accredited, 3 programmes were in the Humanities, 16 in Education, 4 in Business and Commerce and 22 in Science Engineering and Technology.

If the 45 accredited technikon programmes are considered by levels of study and by historical type of institution, the following is the situation.

Table 11: Accredited technikon programmes by *levels of study* and by *type of Institution*

Levels of study	HWI	HBI	Total
Undergraduate Diploma/certificates	10	0	10
B Tech.	23	1	24
M Tech.	8	0	8
D Tech.	3	0	3
Total	**44**	**1**	**45**

Co-ordination and MOUs

This area of work involves:

- Collaboration with professional councils and other ETQAs (such as SETAs) on the accreditation and evaluation of professional and work based programmes leading to NQF-registered qualifications; and
- Discussion, exchange of information and joint initiatives with relevant ETQAs and other national and regional agencies concerned with higher education.

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The increase in the number of ETQAs has led to difficulties and challenges of co-ordination in higher education with respect to approaches to quality assurance and other issues. To ensure that HE providers are not overburdened by many and conflicting quality assurance demands, the HEQC is in discussion with other ETQAs about more collaborative approaches to quality assurance. As a result of the number of ETQAs claiming quality assurance jurisdiction in HE, the coordination of quality assurance through MOUs is a time consuming and challenging job for the HEQC as it seeks to develop a credible, manageable and sustainable quality assurance system. It also raises the question of whether individual MOUs are an effective resolution to the multiple claims to quality assurance jurisdiction in HE.

Different models of co-operation have been spelt out in the draft New Accreditation Framework document, and MOUs based on these models could be concluded with different ETQAs. In the meantime, discussions and information sharing sessions are being held with some ETQAs to find a working relationship. Some co-operation agreements are far advanced with a few ETQAs, and joint accreditation visits are being undertaken with some professional councils.

Certification

SAQA regulations assign responsibility for certification to the relevant ETQA with the possibility of delegation. Under past legislation, the Certification Council for Technikon Education (SERTEC) was responsible for the certification of technikon qualifications. The private acts of universities allow them to certify their own qualifications.

Due to increasing reports about the offering of fraudulent certificates, the HEQC, as the Higher Education band ETQA, has developed a New Certification Framework to:

- Determine the status of certification and the certification processes in institutions of higher learning; and
- Monitor the certification processes in institutions of higher learning.

This is to ensure the protection of students and the integrity of higher education certification in general. This framework will be implemented as part of the new accreditation system.

Priorities

For the immediate future the Accreditation and Co-ordination directorate has prioritised the following areas of work:

- Developing and implementing a single integrated accreditation system for both private and public providers;

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- Entering into MOUs with professional councils and other ETQAs;
- Developing a new system for overseeing certification;
- Contributing to the development of quality assurance regulations. Currently, SAQA and DOE regulations are being used to give legal force to the work of the directorate;
- Developing and instituting a fair administrative process for considering programmes that have been refused accreditation or re-accreditation by the HEQC; and
- Developing a new integrated information management system.

The Accreditation and Co-ordination directorate is relatively new but has made tremendous progress in a variety of areas, including streamlining its accreditation systems and procedures. Its great strength is a dedicated team of staff that work diligently, collaboratively and reflectively. Their capacities will be severely tested in finalising and implementing the new HEQC accreditation framework and ensuring that the priorities identified above are met.

6. AUDIT AND EVALUATION DIRECTORATE

With the appointment of a Director in September 2001, the Directorate began to develop a programme of activities in line with the requirement of the HE Act that the HEQC audit the effectiveness of quality assurance mechanisms of HE institutions. Activities have centred on the Audit Project, the aim of which is to establish a policy framework for a national system of institutional audits and to prepare for the first cycle of audits that will begin in 2004.

The Audit Project

The Audit Project has a number of sub-projects, aimed at putting in place critical elements of the audit system.

The Audit Questionnaire

In November 2001 all HE providers were sent a questionnaire on institutional arrangements for quality assurance (QA). The questions were designed to indicate what the expectations of the HEQC were in respect of institutions developing effective quality management systems. The main purpose was to gather base-line information that would guide the HEQC teams during one-day visits that were planned to HE providers. All public providers and over 50% of private providers responded to the questionnaire. The responses and supporting documents were of varied quality, but nevertheless provided the HEQC with a useful overview of QA across the system.

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Audit Criteria and the Audit Manual

A process is underway to develop an audit manual and audit criteria. These are intended to guide both the self-evaluation of QA systems that institutions will undertake, and the work of the external panels of experts that will validate, on the basis of evidence, the self-evaluation report. The content of the audit manual will cover the entire audit process, including the self-evaluation process, the selection of auditors, the conduct of audits and the writing of audit reports. The criteria will focus on the core activities of HE institutions: teaching and learning, research and community service.

Specialists have been contracted to complete its drafting and a local research unit has been commissioned to focus on the best practice of previous and existing audit systems, both local and international. This material will inform the development of both the criteria and the manual. A number of pilot audits will be conducted in 2003, in the course of which these instruments and the methodology of the audits will be refined.

Management Information System (MIS)

Institutional audits and QA systems in general require reliable, accurate and relevant information, whether at a national or institutional level. Information from different sources has to be integrated and analysed to in order to support audit judgements about the effectiveness of institutional QA system, and to make decisions relating to the management of the audit system. A particular challenge is presented by a key element in the audit system, which is the granting of self-accrediting status to HE providers in respect of the re-accreditation programmes not covered by statutory professional bodies.

The directorate has developed a model of an HEQC information and documentation system that will form a key element in the development of a MIS. A specialist that works with an Information and Communication Technology (ICT) committee of the CHE is currently evaluating this model against the broader ICT needs of the CHE.

Other Activities

Other activities of the Directorate have included:

- Collaboration with CHESP (Community Higher Education Service Partnership) on the development of audit criteria related to service learning;
- Participation in visits to technikons and agricultural colleges that are coordinated by the CTP as part of the interim arrangements following the closure of SERTEC;
- Preparing the HEQC response to SAQA on their policy proposal on recognition of prior learning;

- Interacting with various international specialists and agencies from the UK, the Netherlands, Australia and India in relation to institutional audits, including sending a manager to participate in audit and accreditation activities in India.

Liaison with HE providers and other stakeholders

The HEQC has adopted a consultative approach to the development of a national QA system. In addition to the steps outlined above, the directorate participated in meetings around policy and systems issues with stakeholders including SAUVCA, the CTP, APPEDT, the DoE, SAQA and the Association of Principals of Agricultural Colleges (APAC). The QA managers of the public providers have a forum that is convened by the HEQC, and the directorate has used these meetings to brief and consult colleagues based at public institutions. Meetings have also been held with private providers. In addition, the directorate participated in the activities of some regional consortia of HE institutions.

Overall, the directorate has made substantial progress towards establishing a national audit and evaluation system that can be managed effectively and efficiently. However, it is clear that in order to achieve this goal, it will have to build further capacity in respect of human resources and infrastructure such as administrative, information and documentation systems.

The main challenge in the coming year will be to put in place all the elements required for the first cycle of institutional audits to begin in 2004. To meet this objective it will be necessary to work closely with a range of stakeholders, including the institutions involved in the pilot audits. Another crucial process will be the recruitment and development of a pool of potential auditors of a very high calibre.

7. QUALITY PROMOTION AND CAPACITY DEVELOPMENT DIRECTORATE

The focus of the activities of the Quality Promotion directorate, in order of priority, has been on:

- The development by the Improving Teaching and Learning Project of criteria and standards for the HEQC to use in its quality assurance (QA) activities;
- Facilitating discussion, dissemination of information and the sharing of QA experiences between all higher education institutions (HEIs) and the HEQC, especially through the QA Managers' Forum;
- Facilitating sharing of QA experiences and information between local HEIs and those from other national systems; and

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- Facilitating opportunities for senior HEQC staff to learn and to draw from experiences of other national QA agencies in setting up systems and running institutional audits and programme reviews.

Improving Teaching and Learning Project

The Improving Teaching & Learning Project was established early in 2002. The original goals of the project were to:

1. Develop criteria, minimum quality thresholds and guides to good practice on teaching and learning to inform the HEQC's institutional audit and programme accreditation procedures, with the aim of ensuring that these contribute to the enhancement and valid evaluation of teaching and learning;
2. Engage the academic community in discussion around the suitability of the proposed criteria and minimum quality thresholds; and
3. Operationalise the HEQC's Directorate of Quality Promotion and Capacity Development's commitment to promoting and enhancing effective teaching and learning practice.

The process undertaken to achieve the above has been as follows:

- A Project Manager and a Working Group of nine members were appointed, drawn from Academic Development, Curriculum Development and Staff Development units across the spectrum of local HE institutions.
- In preparation for their work, the Working Group produced a Framework document and undertook a scoping exercise in order to define the focus of their work and its conceptual underpinnings.
- A Needs and Capacity Analysis was also undertaken at a selected sample of twelve institutions. The findings identified the following as key areas for capacity development in HE:

C The transition from school to HE;
C Curriculum development;
C Language, numeracy and higher level cognitive development; and
C Professional development relating to quality assurance and teaching.

On the basis of this preparatory work, the Working Group identified the following focus areas:

1. Programme Planning, Design and Management;
2. Programme & Course Review;
3. Access & Admissions;
4. Student Development & Support;
5. The Assessment of Students;
6. Staff Development; and
7. Postgraduate Research Programmes.

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For each of the focus areas, members of the Working Group produced an Interim 'Code of Practice'. Each of these included a rationale, a set of 'evaluative questions' linked to 'good practice' and 'threshold' descriptors and suggestions for data sources. At this stage it was anticipated that the Codes would be used for both internal reviews and for external evaluations for both audit and accreditation.

Whilst this work was in progress the project held a seminar for Deputy Vice-Chancellors (Academic) or their equivalents from both the public and private higher education sectors. An international specialist was invited to give the keynote address.

Once drafts were produced, the project ran a 'Consultative Panel' for each of the Interim Codes of Practice. A total of 48 senior academics, academic managers and students with expertise and experience in the focus area under consideration were invited to comment on the project's work-in-progress from the perspective of those who would need to use the Codes for internal review and for improving teaching and learning. On the basis of the panelists' comments, the Interim Codes were revised and have been submitted to the HEQC for internal discussion and approval.

Facilitating Debate, Sharing Experiences and Information Dissemination

Interaction with Quality Assurance managers from HE institutions is an important aspect of the work of the Quality Promotion and Capacity Development Directorate. It provides HEQC staff with an opportunity to listen, test ideas and share information. It also enables QA managers from universities and technikons to interact with each other. During the last year, the HEQC convened three Quality Assurance Managers Forums for public HEIs.

The table below indicates the levels of participation at meetings of public HE providers.

Table 12: Participation in HEQC QA Managers Forum

Date	Number of participants	Number of HEIs represented	Other HE organisations
November 2001	43	36	7
February 2002	43	34	6
June 2002	37	34	3

The participants from HE organisations were the directors of regional HE associations as well as representatives from SAUVCA and the CTP.

Separate meetings were held with private providers and these were coordinated with the Accreditation and Co-ordination Directorate.

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Table 13: Participation at meetings of private HE providers

Date	Total Number of Participants	Purpose
February 2002	97	General information sharing
April 2002	80 representing 37 HEIs	Briefing on re-accreditation
July 2002	34	General information sharing

The Directorate participated in meetings with SAUVCA, CTP, APPETD and APAC, which enabled it to share information about the HEQC's programmes and to listen to stakeholder concerns. It also participated in regional workshops that were arranged by regional HE associations and was invited to workshops organised by SAUVCA and the CTP.

QA within the context of merging HEIs

As a response to the challenges presented by the changing public HE landscape, the HEQC set up a project to assist it to understand the key issues and challenges in managing quality assurance in the context of mergers, and to discharge its audit and accreditation responsibilities where missions identities, programmes profiles and institutional systems are still evolving.

A team of six people with QA responsibilities and experience has been put together to help with this task. At its first meeting, key issues for investigation were identified. By March 2003, the team will have completed the first phase of its work for presentation to the HEQC.

Capacity development

As national QA is fairly new in South African HE, there is a limited pool of QA policy personnel and practitioners from which the HEQC can draw consultants, specialist contributors and also its own staff. In order to discharge its QA responsibilities in a considered, informed and effective and efficient manner, it is critical that the HEQC invests in the professional development of current QA personnel, new QA personnel and its own staff.

Initiatives have included the following.

South Africa - Scotland links Network

The idea of a South Africa - Scotland Network arose from meetings and discussions between senior academics, managers and QA practitioners from South Africa and the United Kingdom (UK), and the HEQC and the Quality Assurance Agency (QAA) in the UK. Contact has developed, in particular, with the Scottish QAA office and out of this has come a commitment to develop a network of HE institutions in South Africa and Scotland, which will be linked and communicate largely by email.

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The purpose of the network is to enable mutual sharing of experiences, ideas, practices and solutions and learning, support and development. 20 South African and 17 Scottish institutions are participating in this project. The Network will become operational in late 2002.

Contact with the Scottish QAA office will be strengthened by a visit by the HEQC to observe institutional audits and subject reviews in Scotland. The HEQC has also been invited to participate in a meeting of the Universities Scotland Forum during this visit.

Development of HEQC Staff

The following strategies have thus far been employed:

- Providing opportunities for staff to attend national and international QA and related conferences, seminars and workshops.
- Providing opportunities for staff to participate as observers in review programmes of other national QA systems. In August, two managers undertook a study tour to India as guests of the National Assessment and Accreditation Council. In November, some senior HEQC staff will observe institutional and subject review activities in Scotland.
- Facilitating electronic interaction with established QA practitioners from national other systems. All of the HEQC's key projects have had direct participation by QA practitioners from other national systems.

Other training

A key area of work for the directorate during the next twelve months will be the development of training programmes for institutional audit panellists and evaluators for programme accreditation. In addition, there will be a special focus on the development of chairpersons of audit panels, who will be critical to the success of institutional audits. The Improving Teaching and Learning Project will shift its focus to work on quality improvement related activities.

Other general directorate activities

The directorate participated in the programmes of the Accreditation and Co-ordination and Auditing directorates, for example, the one-day visits to HE institutions.

Finally, as part of contributing to developing an academic discourse on HE QA issues and also high level education and training in QA, the Executive Director of the HEQC developed and delivered a module on HE QA at an international HE programme in France and as part of the HE Masters programme at the University of Western Cape.

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8. QUALITY ASSURANCE RESEARCH AND DEVELOPMENT

A variety of research and development activities were undertaken to facilitate and enhance the effectiveness of the work of the HEQC.

- Numerous studies and investigations were commissioned to assist with the development of the HEQC's audit and accreditation systems. Experts in a number of different quality assurance agencies provided inputs on key features of audit and accreditation systems in their countries. This information was used in the preparation of the Audit and Accreditation Framework documents.
- The Community Higher Education Service Partnerships (CHESP) project of the Joint Education Trust (JET) was commissioned to produce draft criteria for service learning for use in the HEQC's audit and accreditation systems.
- The Centre for Higher Education Studies and Development at the University of the Free State was commissioned to produce a survey report on audit manuals and guidelines in other country systems to inform the development of HEQC's manuals, criteria and instruments.
- Two managers from the Audit and Accreditation Directorates participated in quality assurance visits arranged by the National Assessment and Accreditation Council (NAAC) in India. Their reports on lessons for the HEQC, learned from this opportunity to observe audit and accreditation activities in another country, are being used in HEQC planning.
- The Director of the Accreditation Directorate and the project co-ordinator responsible for the development of the draft Accreditation Framework visited a number of national and regional accreditation agencies in the United States and attended an International Network for Quality Assurance Agencies in Higher Education (INQAAHE) workshop in Jamaica. They gathered considerable information on accreditation and quality assurance in other systems and established good links with colleagues in those systems.
- The HEQC commissioned work on the accreditation/evaluation requirements of a number of international organisations that evaluate the quality of MBA programmes. A report with draft criteria for MBA accreditation has been produced and will be tested in consultation with relevant providers before being put into the HEQC accreditation system.
- A working group has been established to look at quality assurance in the context of merging higher education institutions. The report of the group (which will also include a survey of international and local experience in this matter) will be used to advise the HEQC on its audit and accreditation responsibilities in a merger environment.
- A consultant has been commissioned to undertake a comprehensive investigation of the costs of conducting institutional audits and pro-

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gramme accreditations, including the costs of training audit and accreditation panel members. The report will be used to develop more accurate budgets for the HEQC and form the basis for discussions with the Department of Education and donor foundations on financial support for the HEQC.

- The HEQC's Improving Teaching and Learning Project has produced draft guidelines for good practice in Teaching and Learning. These will be tested in discussion with colleagues from public and private providers as well as inform the development of criteria by the Audit and Accreditation directorates. The project also produced a Needs Analysis on Improving Teaching and Learning on the basis of interviews conducted at a selection of higher education institutions.

9. CHALLENGES FOR 2003

The first phase of systems and infrastructure development work of the HEQC is now almost complete. The coming year will bring the key challenge of finalising a number of quality assurance instruments and manuals and testing them before full-scale implementation in 2004. The HEQC will also have to ensure that, in a period of great uncertainty and upheaval in higher education, it supports HE institutions in developing the understanding and capacity to respond to the requirements of new audit and accreditation systems. Equally important will be the ongoing development of professionalism and capacity in HEQC staff as well as in audit and accreditation panels to be able to carry out the HEQC's quality assurance responsibilities in a way that adds value to institutional initiatives to sustain and enhance quality in South African higher education.

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CONCLUSION

The higher education 'system', and its constituent parts and actors continue to be in flux and to face major challenges. Priorities are for the Ministry to purposefully effect the restructuring that is necessary and to build and consolidate the system through planning, funding and quality assurance activities. There is considerable stress, strain and anxiety within higher education and a further and urgent priority is to work diligently to create system and institutional stability. The system, institutions and actors are at the limits of their capacities to absorb in terms policy changes. It would be prudent not to make any further major demands on institutions and actors beyond the necessary structural restructuring, institutionalization of a new academic policy system and the consolidation and enhancement of quality. The overall approach of the CHE takes this as its frame of reference.

During the past three years there have been some notable achievements on the part of the CHE. Pre-eminent of these are:

- Advice on the shape and size of higher education, including the report of mid-2002. The CHE raised doubts about the efficacy, at that point of the planning, financial and quality instruments, to bring about a fundamental restructuring of higher education and to create a national, integrated, co-ordinated and differentiated system. Instead, it proposed a particular structural and institutional landscape and institutional combinations of different kinds. Crucially, it set the framework and discourse for subsequent consideration and proposals on restructuring.

- The New Academic Policy (NAP) Discussion Document was produced on the request of the Department of Education. This was pioneering work that could have a major impact on the academic landscape and on higher education qualifications and programme structures. The SAQA level descriptors discussion document drew on the NAP work and document in certain significant areas, as did the Study Team report on the NQF.

- Building a national quality assurance system, that draws on the practices that have existed and have been positive but also goes beyond these practices. It has been a massive challenge to rigorously and sensitively conceptualise, plan and begin to implement a quality assurance system that is effective and efficient, financially prudent, does not retard responsiveness on the part of providers and is simultaneously developmental and improvement oriented but also ensures minimum standards and protection for students and the public.

There were pressures to quickly set up an 'off the shelf' quality assurance system based on international consultants shopping around for what was appropriate for South Africa. The HEQC rejected this approach. It took on and is delivering on the challenge of constructing a system that is innovative, specifically South African, which addresses our problems, challenges and needs, and which works for us.

On the basis of its achievements and whatever shortcomings may exist in its work, the CHE must now address key new challenges associated with its mandate and responsibilities.

These key challenges include:

1. Responding to new requests from the Minister for advice

This includes advice on:

- The equalisation of the rand value of the C1 cost unit for universities and technikons in the existing funding formula for higher education.
- The designation of the proposed comprehensives and also, more generally, the nomenclature of institutions and the conditions and criteria for institutions to offer degree programmes and postgraduate programmes.
- Various aspects of distance education, including:
  - The conditions and criteria that should govern the provision of distance education programmes by traditionally contact institutions given the concerns raised in the National Plan.
  - The broader role of distance education in higher education in the light of current and future international trends and the changes in information and communication technology.
  - The role of a single distance education institution in South Africa, in particular, the role the latter could play, as the White Paper suggests, in the development of a "national network of centres of innovation in course design and development.

2. Restructuring of higher education

An ambitious undertaking to change the higher education landscape will be the defining feature of the HE terrain in the coming few years.

The CHE is required to provide not just advice (on various policy matters) but also strategic advice. If the defining feature of South African HE in the coming years will be the implementation of restructuring, with huge consequences for the country, it is important that the CHE provide strategic, informed and considered advice on the general and macro issues related to the implementation of restructuring through effective and sensitive monitoring.

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3. Monitoring the achievement of policy objectives

Linked to the above, building an effective system for monitoring and evaluating performance in and towards the achievement of policy goals so as to ensure feedback into further policy development and refinement is a strategic priority.

4. Critically reviewing higher education

A critical review of select issues, trends and developments in South African higher education for the purposes of proactively advising the Minister on immediate and future challenges to higher education is also necessary.

5. Implementing a new national quality assurance and promotion system

Much of the conceptual work has been done, planning has begun around key activities of a new accreditation regime and institutional audit framework and quality promotion activities have been instituted.

As a quality promotion and capacity development framework must be developed, there have to be ongoing promotion and capacity building initiatives, the new accreditation processes and audits have to be implemented and regulations have to be produced to give the new quality assurance and promotion system the force of law.

6. Building an understanding of the CHE's role

Finally, it is important to continue to build system-wide understanding among diverse actors of the character and role of the CHE and to frame the CHE's role in terms of contributing to the effective steering of the higher education system.

There are also key internal organisational challenges for the CHE. These include:

7. Developing and consolidating the organisation and secretariat

In the past period the CHE has come under much stress and strain to both build an infrastructure and also discharge all its responsibilities. The tremendous progress that has been made towards fulfilling the mandate is due to an extremely innovative, committed and hard-working Secretariat, the support of HE institutions and to effective and competent consultants who have contributed to various CHE projects and initiatives.

There are, however, aspects of the organisation that need to be further developed and consolidated. First, to be effective and efficient the CHE will have

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to function as a mentoring organisation with serious attention to ongoing staff mentoring, development and training. Second, it will simply not be possible for the Secretariat, and especially executive and senior staff, to sustain the pace of work of the past three years without serious consequences. Either additional human and financial resources will need to be made available or, alternatively, the responsibilities of and demands on the CHE will have to be aligned with the available resources.

Finally, there was a wise and diligent previous Council with a conscientious Executive Committee, and individual members that made major contributions to the various activities of the CHE. Over time, a relationship developed between the Council and Secretariat that led to greater degrees of autonomy being given to the Secretariat with much leeway for initiative and proactive behaviour on the part of the Secretariat. This kind of contribution on the part of new Council members, relationship between the new Council and Secretariat and mode of operation will be important for the continued progress of the CHE.

Overall, the CHE is in a healthy state and is well poised to continue discharging the mandate and responsibilities accorded to its by the Higher Education Act and the White Paper more comprehensively, effectively and efficiently in the coming years. The support and guidance of the new Council, EXCO and Chair will be indispensable as will be the continued creative and hard work of the Secretariat and the adequate resourcing of the CHE.

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CHE MEDIA

Research Reports

- Governance in South African Higher Education (May 2002)
- Clarification of private provider usage of terms 'accreditation', 'validation' and 'endorsement' and related terms (August 2001)
- Conditions and criteria under which higher education institutions should be permitted to use the term 'university' (July 2001)
- Registration and recognition of private higher education providers: Problems, prospects and possibilities with specific reference to the Higher Education Amendment Bill, 2000 (July 2001)
- Sertec transition plan, 2001 - 2002 (April 2001)
- Quality assurance in higher education: The role and approach of professional bodies and SETAs to quality assurance (November 2000)
- Thinking about the South African higher education institutional landscape: An international comparative perspective on institutional differentiation and restructuring (November 2000)
- An evaluation of Sertec and the Quality Promotion Unit (July, 2000)

Policy Reports

- Promoting Good Governance in South African Higher Education (May 2002)
- Towards a New Higher Education Landscape: Meeting the Equity, Quality and Social Development Imperatives of SA in the 21st Century (July 2000)

Policy Advice Reports

- CHE Advice to the Minister of Education: The Proposed New Higher Education Funding Framework of the Ministry of Education and its Implications for the Reconfiguration of Higher Education

Policy Documents

- Higher Education Quality Committee: Founding Document (January 2001)
- Higher Education Quality Committee: Draft Founding Document (August 2000)

Occasional Papers

- Human Resource Development and Higher Education Planning: Important National and Continental Initiatives (No. 1, February 2002)

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Discussion Documents

- Programme Accreditation Framework (June 2002)
- Institutional Audit Framework (June 2002)
- A New Academic Policy for Programmes and Qualifications in Higher Education: Discussion Document (October 2001)

Kagisano (Discussion Series)

- Reinserting the Public Good into Higher Education Transformation (No. 1, November 2001)

Conference Reports

- The Council on Higher Education 3rd Annual Consultative Conference (29 - 30 November 2001)
- HEQC institutional audit and programme review training workshop (25-29 September 2001)
- Workshop of HEQC Forum of quality assurance managers of higher education institutions (24 July 2001)
- The HEQC launch and strategic planning workshop (May/June 2001)
- The Council on Higher Education 2nd Annual Consultative Conference (23 - 24 November 2000)
- The Council on Higher Education 1st Annual Consultative Conference (29 - 30 November 1999)

Annual Reports

- Annual Report 2000/2001 (November 2001)
- Annual Report 1999/2000 (November 2000)
- Annual Report 1998/1999 (November 1999)

Newsletters

- CHE News No.4 (November 2001)
- CHE News No.3 (May 2001)
- CHE News No.2 (November 2000)
- CHE News No.1 (November 1999)

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Press Releases

- Meeting between the Council on Higher Education and the Minister of Education on the Ministry's Higher Education Restructuring Proposals (3 May 2002)
- CHE Colloquium: Building Relationships between Higher Education and the Private and Public Sectors and Contributing to their High-Level Person-power and Knowledge Needs (20 June 2002)
- New Membership of the Council on Higher Education, 2002-2006 (19 June 2002)
- Launch of the Higher Education Quality Committee of the Council on Higher Education (2 May 2001)
- The National Plan for Higher Education of the Ministry of Education (5 March 2001)
- Public handover to the Minister of Education, Professor Kader Asmal, of the CHE Size and Shape Task Team Report, Towards a New Higher Education Landscape: Meeting the Equity, Quality and Social Development Imperatives of South Africa in the Twenty-First Century (18 July 2001)

Organisational Brochures

- Quality Assurance in Higher Education: The Higher Education Quality Committee (July 2002)
- The CHE Higher Education Quality Committee (2000)
- The Council on Higher Education (2000)

Internet site

- http://www.che.ac.za

COUNCIL ON HIGHER EDUCATION

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE FINANCIAL STATEMENTS OF THE COUNCIL ON HIGHER EDUCATION FOR THE YEAR ENDED 31 MARCH 2002

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 89 to 104, for the year ended 31 March 2002, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) , read with sections 3 and 5 of the Auditor-General Act, 1995 (Act No.12 of 1995) and section 18 of the Higher Education Act. 1997 (Act No.101 of 1997). These financial statements, the maintenance of effective control measures and compliance with relevant laws and regulations are the responsibility of the accounting authority. My responsibility is to express an opinion on these financial statements, based on the audit.

2. N ATURE AND SCOPE

The audit was conducted in accordance with Statements of South African Auditing Standards. Those standards require that I 'plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis evidence supporting the amounts and disclosures in the financial statements.
- assessing the accounting principles used and significant estimates made by management. and
- evaluating the overall financial statement presentation.

Furthermore, an audit includes an examination on a test basis of evidence supporting compliance in all material respects with the relevant laws and regulations which came to my attention and are applicable to financial matters.
I believe that the audit provides a reasonable basis for my opinion.

3. AUDIT OPINION

In my opinion, the financial statements fairly present. in all material respects the financial position of the Council on Higher Education (council) at 31 March 2002 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice and in the manner required by the Public Finance Management Act. 1999 (Act No.1 of 1999) (PFMA).

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4. EMPHASIS OF MATTER

Without qualifying the audit opinion expressed above, attention is drawn to the following matters:

4.1 Matters not affecting the financial statements

4.1.1 Internal audit

The accounting authority had not established an internal audit section and had not facilitated a risk assessment for the period under review. These functions are required in terms of section 27.2 of the Treasury Regulations.

4.1.2 Audit committee

The executive committee of the council is also serving as the audit committee of the council. This is a contravention of section 27.1.4 of the Treasury Regulations, which requires that the majority of the members of the audit committee should be made up of members who are independent of the council.

4.1.3 Cash management

Treasury Regulation 31.2.1, issued in terms of the PFMA, requires the accounting authority to obtain approval from National Treasury before opening new bank accounts. Treasury Regulation 31.3.3 requires any funds that are in excess of R1 million to be deposited with the Corporation for Public Deposits. However, the council did not obtain approval to open new bank accounts and also did not deposit its funds in excess of R1 million with the Corporation for Public Deposits. The council did therefore not comply with the relevant regulations.

4.1.4 Delegation of authority

The council does not have its own delegation of authority for the initialisation of transactions. As a
result transactions are entered into without the necessary authorisation having been obtained.

5. APPRECIATION

The assistance rendered by the staff of the council during the audit is sincerely appreciated.

N Puren
for AUDITOR - GENERAL Pretoria
28/08/2002

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

Council Members	:	Prof. W Nkhulu (Chairperson)
		Prof. B Figaji
		Prof. M Ramashala
		Prof. R Stumpf
		Prof. N Segal
		Dr H Africa
		Dr N Magau
		Dr R Adam
		Dr K Mokhele
		Mr K Diseko
		Mr V Nhlapo
		Mr S Isaacs
		Ms N Gordimer
		Ms M Keeton
		Ms J Glennie
		Ms N Badsha
		Ms A Bird
Chief Executive Officer	:	Prof. M S Badat
Registered office	:	Pretoria
Postal address	:	P O Box 13354 The Tramshed Pretoria 0126
Nature of business	:	The mission of the CHE is to contribute to the development of a higher education system characterised by quality, responsiveness, equity, and effective and efficient provision and management.
Auditors	:	Auditor General P.O. Box 446 Pretoria 0001

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

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Directors' approval of the annual financial statements

The annual financial statements for the year ended 31 March 2002 set out on pages 7 to 14 were approved by the CHE Exco Committee on 27th August 2002 and are signed on its behalf by -

Prof W Nkhulu
(Chairperson)

Prof M S Badat
(Chief Executive Officer)

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

General review of the state of financial affairs

The core activities of the Council on Higher Education (CHE) involve:

- Advising the Minister at his/her request or proactively on all matters related to higher education
- Assuming executive responsibility for quality assurance within higher education and training - including programme accreditation, institutional audits, programme evaluation, quality promotion and capacity building
- Monitoring and evaluating whether, how, to what extent and with what consequences the vision, policy goals and objectives for higher education are being realised
- Contributing to developing higher education - giving leadership around key national and systemic issues, producing publications and holding conferences and research to sensitise government and stakeholders to immediate and long-term challenges of higher education.
- Reporting to parliament on higher education
- Consulting with stakeholders around higher education.

The major part of the CHE's activities and which consumes the bulk of its funding is the executive responsibility for quality assurance through a permanent sub-committee, the Higher Education Quality Committee (HEQC).

To date, the CHE has obtained a larger proportion of its income from donor funding than government funding. Communication with donors makes it clear that no further financial support will be forthcoming for general operational requirements related to quality assurance. Support will only be considered for specific research and development activities. In this context, a major policy and strategic issue is the sustainability of the CHE, particularly the quality assurance activities of the HEQC.

The CHE is empowered by the Higher Education Act, No. 101 of 1997, to levy fees for quality assurance activities. It does so with respect to private providers of higher education and training. However, with respect to public higher education institutions it has argued that a top slice of the Department of Education (DoE) higher education budget to cover its quality assurance activities is the most sensible and effective means of covering the HEQC's requirements. The DoE is in agreement with this approach and has, indeed, provided a top-slice of just over R 4 million for the 2002-2003 financial year.

This top slice will, however, have to be increased substantially in the coming year if the HEQC is to meet all its responsibilities. Alternatively, the HEQC will have to levy public higher education institutions for all quality assurance related activities. This, however, is not a preferred approach since it will simply mean that funds will accrue to the HEQC through the institutions rather than the DoE directly and will place unnecessary pressures on the CHE related to collection of levies and will also require additional staff to manage finances.

To date, the CHE has not utilised its total income and has been carrying surpluses as a consequence of not having a full complement of personnel. Thus, there has been an under-

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spending on the personnel budget as well as on projects because of a lack of personpower to implement all projects. However, with almost all personnel now in place, and the use of consultants and contract staff, the surpluses of previous years will no longer continue from 2002-2003 onwards.

Services rendered by the CHE

The services rendered by the CHE are comprehensively covered in its Annual Report for 2000-2001, pages 77-101. The following issues are covered:

- Membership
- Responsibilities of the CHE
- The Character and Role of the CHE
- Fulfilling the Mandate of the CHE
- CHE Task Teams and Projects
- The Higher Education Quality Committee
- Organisation
- Secretariat/Personnel
- Finances

Under/Over spending

To date, the CHE has been under-spending and has carried surpluses. This is because it has not had a full complement of personnel. There has been an under-spending on the personnel budget as well as on projects because of a lack of personpower to implement all projects. However, with almost all personnel now in place, and the use of consultants and contract staff, the surpluses of previous years will no longer continue from 2002-2003 onwards. Indeed, from 2002-2003 there will be considerable pressures on the CHE budget as it begins to meet all its responsibilities related to quality assurance.

Capacity constraints

The capacity problems of the CHE have related principally to personpower at its disposal. There have been three related pressures on the CHE.

First, at the beginning there was a gross underestimation of the number of personnel that would be required for quality assurance activities. This meant that the staff complement of the CHE had to be revised and permission obtained for a larger staff complement. However, obtaining the additional staff had to await additional funds for personnel being made available by the DoE since donor funding could not be utilised for full-time core personnel.

Second, the CHE is committed to employment equity and pays serious attention to its equity profile. It has not been easy to find highly qualified black and women personnel, especially in quality assurance, which is a relatively new and highly specialised field. On occasions appointments have had to be put on hold in order to ensure that the overall profile of the CHE in terms of 'race' and gender was not distorted.

Third, the CHE faces the challenge of retention of experienced staff in whom it has made a considerable investment in terms of training. It experiences strong pressure from other

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bodies in the education and training sector that have larger budgets and are able to attract CHE staff with offers of larger remuneration packages. Thus, it is likely that personnel capacity to undertake all responsibilities effectively and efficiently will be an ongoing struggle.

Utilisation of donor funds

The CHE has been highly successful in writing project proposals and mobilising donor funding. The record of utilisation of donor funds is mixed. In some cases, funds have been used effectively and within the times specified. In other cases, it has not been possible to utilise all the funds within specified periods because of personnel shortages and thus lack of capacity to implement initiatives and projects. In these cases a rollover of funds has been requested and obtained.

Corporate governance arrangements

The CHE has in place effective and transparent financial management, internal control systems, policies and procedures. These include policies and procedures governing procurement, payments, banking, travel and subsistence etc. These systems were established by a financial consultant and are managed and administered by a full-time Office Manager with oversight by the Chief Executive Officer. The CHE was assessed, in order to receive donor aid, by the United States Agency for International Development and given a clean bill of health.

The Executive Committee of the CHE as well as the Executive Committee of the HEQC maintains oversight of finances through reporting every two months by the CEO on income and expenditure, including a variance report.

The Executive Committee of the CHE approves the appointment of all personnel above the level of Deputy-Director.

The HEQC Board as well as the full Council of the CHE approves the annual budget of the CHE. An Audit Committee comprising of a CHE member and two senior persons from higher education institutions has been established.

Discontinued activities/Activities to be discontinued

The Higher Education Act and the White Paper on higher education explicate the responsibilities and mandate of the CHE. There have been no amendments or modifications to either documents and therefore the overall responsibilities and specific activities of the CHE remain as in the past.

However, over time certain activities come to the fore while others move into the background. During this period, the Task Teams on New Academic Policy and Governance have been very active, those on Shape and Size and Funding and Financing moderately active, while the Language Policy Task Team has been on the back burner.

With respect to projects, the NQF Review and Responsiveness of Higher Education projects have been highly active, the Role of Higher Education in Social Transformation moderately

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active, while the projects on Monitoring of Higher Education and Triennial Review of Higher Education have been on the back burner.

New/Proposed activities

While some provision can be made for proactive new activities determined by the CHE, those of a reactive nature that must respond to requests from the Minister of Education cannot be determined in advance.

Activities that will come to the fore during the 2002-2003 year will be:

- Monitoring the Achievement of Policy Goals
- Triennial Review of Higher Education
- Role of Higher Education in Social Transformation
- Conditions and Criteria for using certain designations and offering certain qualifications
- Visits to institutions regarding institutional audits
- Re-accreditation of programmes of private providers
- Review of MBAs

All these activities are supported either by donor funds or levy income from private providers or by government funding.

BALANCE SHEET
AT 31 MARCH 2002

	Note	2001/02 R	2000/01 R
ASSETS			
Non-current assets			
Property, Plant & Equipment	4	434 420	214 852
Current assets		12 135 689	4 352 709
Accounts receivable	5	16 435	20 390
Short term investments		11 978 057	4 069 738
Cash and cash equivalents		141 197	262 581
		12 570 109	4 567 561
EQUITY AND LIABILITIES			
Capital and reserves			
Distributable reserve		6 582 380	4 397 658
Current liabilities			
Accounts payable		5 987 729	169 903
		12 570 109	4 567 561

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INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002

	Note	2001/02 R	2000/01 R
Revenue	2	5 655 855	7 023 910
Operating surplus / (deficit)		(2 769 983)	1 750 272
Net finance income	7	519 044	298 742
Net surplus / (deficit)		(2 250 939)	2 049 014
Extra-ordinary Item (Sertec)	3	4 435 661	0
		2 184 722	2 049 014

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STATEMENT OF CHANGES IN NET ASSETS / EQUITY
FOR THE YEAR ENDED 31 MARCH 2002

	Distributable Reserve	Total
	R	R
Balance at 1 April 2000	2 348 644	2 348 644
Net surplus for the period	2 049 014	2 049 014
Balance at 31 March 2001	4 397 658	4 397 658
Net surplus for the period	2 184 722	2 184 722
Balance at 31 March 2002	6 582 380	6 582 380

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2002

	Note	2001/02 R	2000/01 R
Cash flows from operating activities			
Cash generated by operations	8	3 123 326	1 391 566
Net interest received	7	519 044	298 742
Net cash (outflow)/inflow from operating activities		3 642 370	1 690 308
Cash flows from investing activities			
Investment to maintain Operations			
- additions to property and equipment		(291 098)	(217 044)
Net cash outflow from investing activities		(291 098)	(217 044)
Cash flows from financing activities			
Increase in transfer of assets from SERTEC		4 435 663	0
Net cash inflow from financing activities		4 435 663	0
Net increase in cash and cash equivalents		7 786 935	1 473 264
Cash and cash equivalents at beginning of period		4 332 319	2 859 055
Cash and cash equivalents at end of period	9	12 119 254	4 332 319

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NOTES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

1. Accounting policies

The financial statements are prepared in accordance with the historical cost basis, and incorporate the following accounting policies that are consistent with those adopted in the previous year.

1.1 Property, plant and equipment

Tangible assets are stated at historical cost less accumulated depreciation. Subsequent expenditure relating to an item of property and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

The cost of tangible assets less the estimated residual value is written off by equal annual instalments over the expected useful lives of the assets as follows:

Furniture and fittings	10 years
Computer hardware	3 years
Office equipment	5 years

The cost of tangible assets less than R2 000 (two thousand rand) are written off in full in year of acquisition.

1.3 Revenue

Revenue represent state subsidy received from Department of Education, donations received and fees charged for accreditation of courses provided by Private Higher Education providers. Charges for accreditation are recognised when work done is billed to providers and excludes Value Added Taxation. Income received from grants, donations and income for specific projects are recorded as deferred income and disclosed on the balance sheet with non-current liabilities. These incomes are brought to the income statement in the financial period, when the CHE is entitled to use this funds.

1.4 Financial instruments

Measurement

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below.

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NOTES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

Trade and other receivables
Trade and other receivables originated by the council are stated at cost less provision for doubtful debts.

Cash and cash equivalents
Cash and cash equivalents are measured at fair value.

1.5 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

	2001/02 R	2000/01 R
2. Revenue		
Government grants	4 000 000	4 663 000
Donations received	916 353	2 061 365
Accreditation private providers	637 000	16 000
Miscellaneous	102 502	283 545
	5 655 855	7 023 910

3. Extraordinary item

Operations of Certification Council for Technikon Education / Sertiferingsraad vir Technikononderwys (SERTEC) were incorporated into the CHE's Quality Assurance Unit. SERTEC's total assets of R4 435 661 were transferred to the CHE.

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NOTES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

		2001/02 R	2000/01 R
4.	Property and equipment		
	Cost		
	Owned assets		
	Computer equipment	347 532	115 544
	Office equipment	59 547	33 283
	Furniture and fittings	113 566	80 722
		520 645	229 549
	Accumulated depreciation		
	Owned assets		
	Computer equipment	64 537	12 534
	Office equipment	11 117	1 614
	Furniture and fittings	10 571	549
		86 225	14 697
	Net book value		
	Owned assets		
	Computer equipment	282 995	103 010
	Office equipment	48 430	31 669
	Furniture and fittings	102 995	80 173
		434 420	214 852

	Computer equip-ment	Office equip-ment	Furniture and fittings	Total
	R	R	R	R
Nett book value				
Opening balance	105 564	29 114	80 174	214 852
Additions	229 434	28 819	32 843	291 096
Depreciation	52 003	9 503	10 022	71 528
	282 995	48 430	102 995	434 420

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NOTES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

		2001/02 R	2000/01 R
5.	Accounts receivable		
	Trade debtors	16 435	20 390
		16 435	20 390
6.	Operating surplus		
	Operating surplus is stated after taking the following into account:		
	Auditor's remuneration	33 070	20 132
	Depreciation of equipment	71 528	14 544
	- computer equipment	52 003	12 381
	- office equipment	9 503	1 614
	- furniture	10 022	549
	Directors' emoluments	1 208 620	536 424
	- services as directors	111 700	0
	- managerial services	1 096 920	536 424
7.	Net finance income		
	Interest received	519 044	298 742
		519 044	298 742
8.	Cash generated by operations		
	Operating income/(loss)	(2 769 983)	1 750 272
	Adjustment for:		
	- depreciation	71 528	14 544
	Operating profit before working capital changes	(2 698 455)	1 764 816
	Decrease/(Increase) in accounts receivable	3 955	(20 390)
	(Decrease)/increase in accounts payable	5 817 826	(352 860)
	Cash (utilised)/generated by operations	3 123 326	1 391 566

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NOTES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2002

		2001/02 R	2000/01 R
9.	Cash and cash equivalents		
	Short term investments	11 978 057	4 069 738
	Cash and cash equivalents	141 197	262 581
		12 119 254	4 332 319

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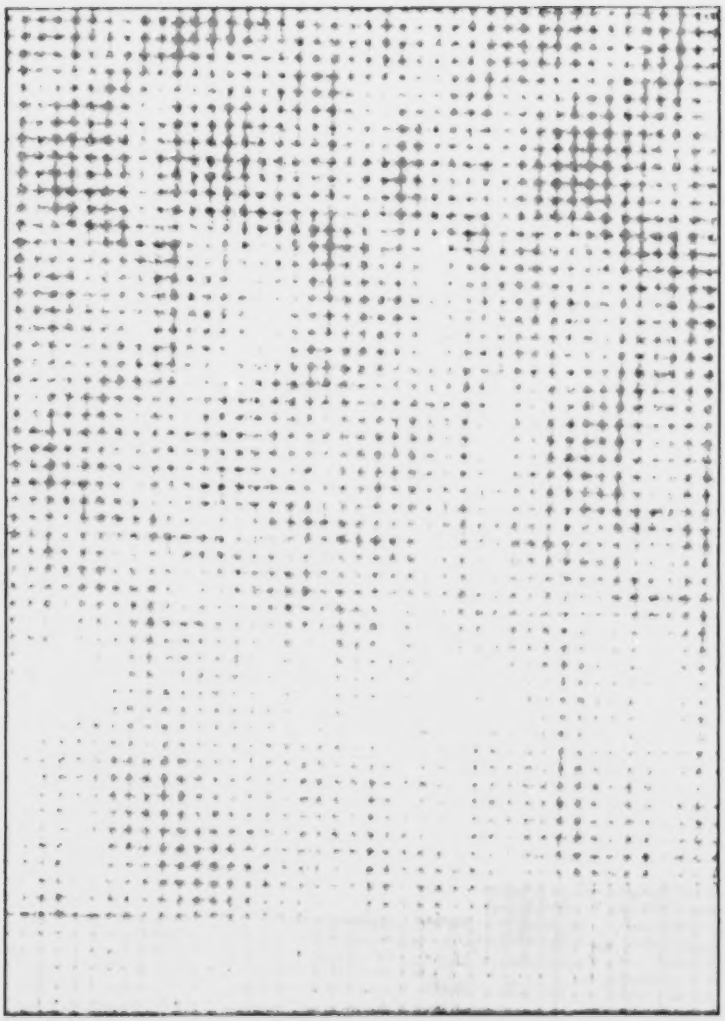

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